

AN AUDIT

*State of Wisconsin*

*1999-2000*

*01-8*

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State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

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April 30, 2001

Senator Gary R. George and  
Representative Joseph K. Leibham, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator George and Representative Leibham:

We have completed our financial and compliance audit of the State of Wisconsin, as requested by state agencies to meet the audit requirements of the federal Single Audit Act of 1984, as amended, and the provisions of federal Office of Management and Budget Circular A-133. Our audit covered the period July 1, 1999 through June 30, 2000. In addition to satisfying federal audit requirements, the audit assists us in meeting state audit requirements under s. 13.94, Wis. Stats.

The audit procedures performed at the larger state agencies that administer federal financial assistance programs, including the University of Wisconsin System, consisted of gaining an understanding of the internal controls at the agencies, assessing the propriety of revenues and expenditures, and testing compliance with laws and regulations related to the administration of federal grant programs. For the smaller agencies and selected University of Wisconsin campuses, our audit procedures were limited to verifying information included in the federally required Schedule of Expenditures of Federal Awards and following up on prior-year audit findings. Our review focused on the 28 federal grants that either exceeded the \$16.7 million threshold used to define major grants or were below this threshold but were selected for review based on the risk-based assessment criteria established by the federal government.

The first section of our report contains the auditor's reports on compliance and internal control. Because of material noncompliance by the Department of Workforce Development related to the Vocational Rehabilitation Program, we qualify our opinion on the State's compliance with federal regulations. Next are the agency narratives that contain our comments on internal control deficiencies related to the administration of federal grants, findings of noncompliance for each agency, and the results of our follow-up to prior audit findings. A summary schedule of findings and questioned costs for the current year's audit is also provided, as well as a summary of the status of findings included in our prior audit report for the State of Wisconsin (report 00-5).

We note that, overall, state agencies have complied with federal grant requirements and have taken steps to address findings included in the prior year's single audit report. However, we do report internal control deficiencies and several areas of noncompliance, and we identify \$1,027,571 in questioned costs. While higher than in recent prior years, the amount of questioned costs represents a small portion of the \$6.3 billion in federal financial assistance to the State of Wisconsin in fiscal year 1999-2000.

Senator Gary R. George and  
Representative Joseph K. Leibham  
Page 2  
April 30, 2001

Also included in this report is the Schedule of Expenditures of Federal Awards for the audited period, and related notes. Our audit opinion on the schedule is unqualified.

The federal government will resolve the findings and questioned costs included in our report. Federal agencies are expected to contact state agencies regarding resolution. To assist federal officials in their efforts, state agency contact information is provided in appendices to this report.

In addition to the comments and recommendations included in our report, management letters will be issued to the larger state agencies addressing technical accounting and internal control issues, including those relating to the preparation of the State's financial statements.

We appreciate the courtesy and cooperation extended to us by agency staff during our audit. Agencies' comments on individual findings, along with their corrective action plans to address our concerns, are included within the agency narratives.

Respectfully submitted,

Janice Mueller  
State Auditor

JM/BN/bm

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## Summary

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The State of Wisconsin administered \$6.3 billion in federal financial assistance during fiscal year (FY) 1999-2000. As a condition of receiving federal assistance, the State is required to have an independent audit of its financial statements and of its compliance with federal grant program requirements. We performed this audit at the request of the various state agencies that received federal financial assistance and to meet our audit responsibilities under s. 13.94, Wis. Stats. To satisfy audit requirements, we gained an understanding of the internal controls, assessed the propriety of revenues and expenditures, and tested agency compliance with state and federal program requirements.

Our unqualified audit opinion on the State's general purpose financial statements was included in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. This report was issued by the Wisconsin Department of Administration (DOA) in December 2000 and is available from the [State Controller's Office](#).

The federal compliance portion of the single audit included audit work at the 24 state agencies that administered federal financial assistance programs. These agencies vary in size and complexity from the Department of Health and Family Services (DHFS) and the Department of Workforce Development (DWD), each of which administered eight major federal grant programs during FY 1999-2000, to the Board on Aging and Long-Term Care, which administered only a few small grants and contracts.

The federal awards administered by the Wisconsin Supreme Court were not included in the scope of this single audit because those grants are audited separately in accordance with federal Office of Management and Budget (OMB) Circular A-133, if required. An audit of federal financial assistance received by the Wisconsin Housing and Economic Development Authority was performed by other auditors.

As noted, the total amount of federal financial assistance administered by the State was \$6.3 billion in FY 1999-2000. DHFS administered \$2.3 billion, or 36.5 percent, of the State's total federal financial assistance. The majority of these funds, \$1.9 billion, were disbursed for the Medical Assistance Program. The State also contributed \$1.4 billion in general purpose revenue to fund this program.

DWD also administers large federal programs, one of which is the Unemployment Insurance program, under which DWD expended \$566.6 million during FY 1999-2000. In addition, DWD disbursed \$225.7 million in federal funds for the Temporary Assistance for Needy Families (TANF) program and \$164.0 million, including \$118.8 million in food stamp coupons, for the Food Stamp Program.

The University of Wisconsin (UW) System expended \$738.3 million in federal aid during FY 1999-2000. These expenditures included \$378.8 million for student financial aid, \$299.8 million under a variety of research and development grants, and

\$59.7 million for other federal grants. Other state agencies administering significant federal programs include the Department of Transportation (DOT), which expended \$498.9 million in FY 1999-2000 for the Highway Planning and Construction program; the Department of Public Instruction (DPI); DOA; and the Department of Natural Resources (DNR).

These seven large state agencies administered 97.1 percent of the federal financial assistance received by the State, and 24 of the State's 28 major grant programs. Accordingly, our audit effort concentrated on these state agencies.

We concluded that state agencies were in substantial compliance with federal grant program requirements. However, we noted instances of noncompliance with federal grant requirements and, in total, questioned \$1,027,571 in costs charged to various federal grant programs. These costs represent a small portion of the \$6.3 billion in federal financial assistance received during the year. In addition to findings that resulted in questioned costs, we identified instances of noncompliance that have no direct effect on the amount of federal financial assistance received, or for which we could not readily determine the amount to question. Summaries of some of our more serious findings follow.

### **Department of Workforce Development**

DWD administers some of the largest and most complex federal programs and, in recent years, has had more findings and questioned costs than other agencies. While DWD acknowledges concerns included in our prior single audit report and has taken some steps to correct deficiencies, we continue to find noncompliance with federal regulations. In total, we questioned \$934,137 that DWD charged to federal grant programs or that was interest earnings lost to the federal government because of various delays. Of this amount, \$598,559 resulted from various findings with the Vocational Rehabilitation grant; \$299,860 related to the TANF program; and \$35,718 related to other concerns.

#### **Vocational Rehabilitation Program**

DWD's Division of Vocational Rehabilitation administers the Vocational Rehabilitation program to assist eligible individuals with disabilities in preparing for and engaging in gainful employment. We have single audit concerns over third-party contracts, direct payments to clients, and non-federal matching requirements.

DWD contracted with the Wisconsin Department of Commerce for the Job Creation Program, which provided funds to businesses that agreed to expand their operations and to reserve newly created jobs for Vocational Rehabilitation clients. In a highly questionable practice, DWD amended its contract the day before the grant period expired and required Commerce to bill for services, including related administrative costs, in advance of incurring any costs. DWD subsequently requested and received federal reimbursement for these anticipated costs under a grant that had already ended. We find the manipulation of contracts and payment procedures in order to avoid the lapsing of federal funds to be a material violation of federal regulations, which requires

us to qualify our report on compliance. We question \$248,732 in costs charged to the Vocational Rehabilitation grant and interest the State earned on the use of these funds at the expense of the federal government.

During FY 1999-2000, DWD made over 17,000 payments, totaling over \$5 million, directly to Vocational Rehabilitation clients. In our prior single audit report (report 00-5) and in our separate program evaluation of the Vocational Rehabilitation program issued in October 2000 (report 00-11), we expressed concern because DWD did not adequately enforce its policies that require case workers to obtain documentation to support direct payments to clients. In our current audit, we initially tested 56 payments made during the audited period and found payments totaling \$12,137 that were not supported by receipts or other documentation. To address concerns in this area, DWD announced new policies and procedures in August 2000 that, if followed, could be expected to ensure direct payments are documented and supported. However, while some improvements may have been made, it appears DWD continues to make direct payments that are not adequately documented. We tested an additional 22 direct payments made in October and November 2000 and found payments totaling \$8,583 were not supported. Because of the large number of direct payments made during our audit period, and the likelihood of additional unsupported payments, we believe this area to be a material weakness in DWD's internal controls.

Some federal grants require the State to match federal expenditures with expenditures financed from non-federal sources. DWD subgrants a portion of the Vocational Rehabilitation grant to third parties, such as technical colleges, nonprofit entities, and other state agencies. Many of these subgrantees are required by DWD to use their own funds to meet non-federal matching requirements. We found that because of an oversight, DWD may have applied some of the expenditures reported as match under third-party contracts for federal fiscal year (FFY) 1997-98 as matching expenditures for other grant years. As a result, considering various adjustments, we question \$329,107, which represents excess federal reimbursements that DWD may be required to return to the federal government.

### **Temporary Assistance for Needy Families**

We also have concerns with DWD's administration of the TANF program. First, DWD made errors when calculating the amount of TANF funds that may be transferred to the Social Services Block Grant, which is administered by DHFS. DWD calculated the transfer based on 10 percent of the gross TANF award, even after receiving notification from the federal government that the 10 percent limit should be based on a slightly lesser amount. In total, we question \$98,964 in excess transfers to the Social Services Block Grant. DWD is working with DHFS and DOA to determine the funding source to be used to repay the federal government.

Second, DWD did not strictly comply with federal limitations placed on the use of TANF funds awarded in prior federal fiscal years. New federal rules prohibit DWD from charging certain costs incurred after September 30, 1999, such as child care and transportation costs, to prior-year awards unless funds for those purposes had been obligated before September 30, 1999. DWD did not put proper controls in place to

comply with the new rules, and we question \$200,896 in costs inappropriately charged to prior-year awards.

### **Other Concerns**

We noted a variety of noncompliance concerns for other grant programs administered by DWD. We questioned \$35,718 related to the Child Support Enforcement program and other programs. In addition, we note that DWD has not fully resolved several findings from our prior year's audit. Most significantly, DWD has not remitted to the federal government \$300,148 in interest owed because of delays in crediting the federal government for its share of support collections for public assistance programs. DWD is currently working to determine a funding source to repay this interest liability.

### **Department of Health and Family Services**

Like DWD, DHFS administers many large and complex federal programs. A new area of concern this year is related to the Foster Care program, under which DHFS expended \$99.3 million during FY 1999-2000 to help provide safe, appropriate substitute care for children who are under the jurisdiction of the State and need temporary placement and care outside their homes. While administration of the Foster Care program is generally the responsibility of the counties, the State assumed responsibility for administering the Foster Care program in Milwaukee County. In our review of 48 Milwaukee County foster care case files, we identified \$4,562 DHFS paid to foster care families in excess of the documented and authorized amounts. DHFS has refunded the federal share of these excess payments. In addition, we identified several instances in which the case files did not contain the necessary court orders.

One of the benefits of OMB Circular A-133 is the risk-based approach auditors are to use in selecting grants to audit. This approach allows auditors to test compliance for smaller grants that may not have been audited in the past. We found record-keeping concerns for the Promoting Safe and Stable Families program, which had \$2.9 million in expenditures, and administrative concerns including several instances of questioned costs related to the Breast and Cervical Cancer Early Detection Programs, which had \$2.5 million in expenditures. While overall the amount questioned was not material, our review suggests underlying weaknesses with the financial administration of these programs.

Finally, we continue to have concerns with reconciliation of expenditure information for the Medical Assistance Program. As a result of our prior audit recommendation, DHFS has taken steps to identify and investigate variances between amounts reported on certain quarterly reports and federal reimbursements received through the State's cash management system. However, DHFS has not fully investigated and reconciled all of the variances. As a result, DHFS is not assured of the accuracy of expenditures reported and federal reimbursements received for the Medical Assistance Program.

## **University of Wisconsin System**

Although UW System was in substantial compliance with federal program requirements, we noted several instances of noncompliance with federal grant requirements and, in total, question \$12,640 in costs charged to federal programs. Three areas are of particular concern because of their relative significance or because they represent a continuation of previously noted problems.

First, while some improvements in procedures have been made, we continue to have concerns with assignment of defaulted loans to the U.S. Department of Education by UW-Madison, UW-Milwaukee, and UW-Parkside. In addition, within the Perkins Loan Program at UW-La Crosse, we noted concerns with loan collection procedures, including those related to in-house collection efforts, collection agencies, post-deferment grace periods, and loan disclosures. Noncompliance with these federal requirements may reduce the amount of loan funds returned to the program and made available to other students in the future.

Second, for the six Federal Work-Study awards reviewed, UW-La Crosse was unable to provide the required supporting documentation for two students. The employer for one of these students also employed nine other students under the program and indicated that all time sheets were destroyed at the end of the 1999-2000 academic year. Since federal regulations require that work performed by students be supported by time sheets documenting actual hours worked, we question \$6,034 charged to the Federal Work-Study program at UW-La Crosse, which is the amount of compensation provided to these students in FY 1999-2000.

Finally, we identified unallowable expenditures charged to the Cooperative Extension Service grant, which is administered by UW-Extension. We noted that UW-Extension recorded \$5,703 in building repair expenditures to the grant, but federal regulations specifically state that such expenditures are not allowable expenditures under the grant.

## **Department of Transportation**

DOT receives federal grants to fund the federal government's share of highway construction projects. Generally, it is expected that state agencies will request federal reimbursement of grant expenditures as quickly as permissible to maximize interest earnings to the State. However, we identified 25 purchase orders related to highway construction projects, totaling \$811,000, that had no activity since at least 1995. Had DOT closed these encumbrances in a timely manner, it could have transferred the related federal spending authority to other construction projects with eligible expenditures and requested immediate federal reimbursement. However, because DOT did not review and liquidate these encumbrances in a timely manner, up to \$811,000 in state funds was used to subsidize federal funds during FY 1999-2000, resulting in up to \$40,000 of lost interest earnings for the State.

We also found that during FY 1999-2000, DOT did not perform all of the federally required "verification" testing of materials used in highway construction projects. This testing is necessary to verify that the materials used in highway projects meet minimum

quality standards. Staff with whom we spoke were unaware that the required testing was not being completed. In response to our concerns, DOT has developed a formal policy to review 5 percent of each district's projects for compliance with testing requirements.

### **Department of Administration**

Occasionally, state agencies or other entities receive income related to the administration of federal grants. Federal rules require that this income be used to offset the federal government's share of program expenditures or, if agreed to in advance, for other program purposes. We continue to have concerns with program income earned by a nonprofit corporation related to the Home Buyer Assistance Program, which is administered by DOA and designed to assist low-income individuals in acquiring houses. We have questioned \$118,300 in program income related to this program since we first communicated this noncompliance finding during our FY 1997-98 audit. This year, we question an additional \$57,750 in program income the nonprofit corporation collected but has not reported to DOA. In its corrective action plan, DOA indicates that it is working with the nonprofit corporation and the U.S. Department of Housing and Urban Development to resolve this issue.

### **Other State Agencies**

For other state agencies, we generally found compliance with federal regulations. We note, however, that DPI did not fully comply with federal requirements to monitor subrecipients, and in one instance DNR did not comply with the Davis-Bacon Act, which requires the State to ensure prevailing wages are paid on certain construction projects.

Each year, we follow up on findings and recommendations included in our previous single audit report. Most state agencies promptly implemented corrective action. For example, DNR, the Department of Corrections, and the Department of Veterans Affairs have taken steps to address prior audit concerns related to cash management. In addition, DPI, the Department of Commerce, and the Department of Justice addressed other concerns included in our prior single audit report.

However, we continue to have concerns with time and effort reporting at the Department of Military Affairs (DMA). While DMA has made some progress in addressing our concerns, it continues to be in noncompliance with federal regulations by not requiring those employees working on multiple grants to complete monthly personnel activity reports. DMA questions whether it is cost-effective to require these employees to complete the federally required reports. However, the federal rules are clear, and DMA is expected to comply as a condition of accepting federal funding. Therefore, we question \$22,791 in salary and fringe benefit costs charged to a federal grant for two employees who did not document their work effort in accordance with federal regulations.

A summary of our federal findings and questioned costs can be found in Section III of the Schedule of Findings and Questioned Costs (pages 142 through 149). Agencies' responses to the findings and their plans for corrective action are included in the body of this report. The federal government will contact the agencies to resolve findings and questioned costs. A summary of the status of findings included in our prior audit report (report 00-05) is presented on pages 151 through 161.

Issues addressing technical accounting matters, including those related to preparation of the State's financial statements, are included in management letters and other audit communications for various state agencies. Summaries of the more serious concerns related to financial reporting are included in Section II of the Schedule of Findings and Questioned Costs (pages 129 through 142).

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## Introduction

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The State of Wisconsin administered \$6.3 billion of federal financial assistance during fiscal year (FY) 1999-2000. Of that total, \$5.43 billion consisted of cash disbursements; the remaining \$0.83 billion consisted of noncash items such as food stamps, food commodities, and outstanding loans. As a condition of receiving federal funds, the State must meet the audit requirements of the federal Single Audit Act of 1984, as amended, and federal Office of Management and Budget (OMB) Circular A-133. The audit report must contain the auditor's report on the general purpose financial statements; the auditor's report on the State's compliance and internal control over financial reporting; and the auditor's report on the State's compliance with requirements applicable to each major program, internal control over compliance in accordance with OMB Circular A-133, and schedule of expenditures of federal awards. We also incorporated into the report narrative the agencies' responses to our findings and their corrective action plans. The report, along with other required information, is submitted to the federal government to fulfill the State's single audit report distribution requirements of OMB Circular A-133.

The statewide annual financial and compliance audit covers the period July 1, 1999 through June 30, 2000. Federal rules allow the auditor to use judgment to select those grants that may contain a higher risk of noncompliance with federal regulations. For the State of Wisconsin, OMB Circular A-133 categorizes as "type A" grants those grants for which the State expended \$16.7 million or more of federal funds. We reviewed and tested those type A grants that we believe are subject to higher risk of noncompliance. Federal rules allow the auditor to test other type A grants only once every three years, rather than each year. Accordingly, we selected about one-third of the lower-risk type A grants to audit this year. For each type A grant not audited during the current audit, federal rules require the auditor to select another grant for audit, referred to as a "type B" grant, with expenditures under the \$16.7 million threshold. The purpose of selecting additional grants is to ensure that a variety of grants, rather than just the largest grants, are audited each year while still ensuring that the largest grants are audited at least once every three years.

As required by OMB Circular A-133, we tested compliance with laws and regulations related to federal grant programs, contracts, and subgrants the State administered. Our compliance review focused on the 12 type A grants and 16 type B grants listed in Note 2 to the Schedule of Expenditures of Federal Awards. These grants were administered by 12 different state agencies and campuses and accounted for 68 percent of the federal financial assistance administered by the State. We also followed up on findings included in our prior audit report for the State of Wisconsin (report 00-5).

In addition to satisfying federal audit requirements, the audit work performed at state agencies assists in meeting state audit requirements identified in s. 13.94, Wis. Stats. The scope of the single audit did not include the federal awards administered by the

Wisconsin Housing and Economic Development Authority, which is audited separately by other auditors, and the Wisconsin Supreme Court.

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# Independent Auditor's Report on the State of Wisconsin's Compliance and Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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We have audited the general purpose financial statements of the State of Wisconsin as of and for the year ended June 30, 2000, and have issued our report thereon dated December 18, 2000. The general purpose financial statements and related auditor's opinion have been included in the State of Wisconsin's Comprehensive Annual Financial Report for 2000. We did not audit the financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, which represent 84 percent of the assets and 26 percent of the revenues and operating transfers of the debt service funds, and 19 percent of the liabilities of the general long-term debt account group, nor did we audit the financial statements of the Environmental Improvement Fund, which represents 33 percent of the assets and 2 percent of the operating revenues of the enterprise funds. In addition, we did not audit the financial statements of the Wisconsin Housing and Economic Development Authority, the Wisconsin Health Care Liability Insurance Plan, and the University of Wisconsin Hospitals and Clinics Authority, which represent 100 percent of the financial activity of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the State's general purpose financial statements, insofar as it relates to the amounts included for those entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wisconsin Department of Transportation Revenue Bond Program and Commercial Paper Program, Wisconsin Health Care Liability Insurance Plan, and University of Wisconsin Hospitals and Clinics Authority were audited by other auditors in accordance with generally accepted auditing standards, but not in accordance with the additional requirements of *Government Auditing Standards*.

## Compliance

As part of obtaining reasonable assurance about whether the State of Wisconsin's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of several state agencies in separate letters.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the general purpose financial statements of the State of Wisconsin for the year ended June 30, 2000, we considered the State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in Section II of the Schedule of Findings and Questioned Costs as findings WI-00-50 through WI-00-65.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to the management of several state agencies in separate letters.

This independent auditor's report is intended solely for the information and use of the management of the State, the Wisconsin Legislature's Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities. This report, upon submission to the Joint Legislative Audit Committee, is a matter of public record and its distribution is not limited. However, because we do not express an opinion on compliance or provide assurance on internal control over financial reporting, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

December 18, 2000

by

Bryan Naab  
Audit Director

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# Independent Auditor's Report on the State of Wisconsin's Compliance with Requirements Applicable to Each Major Program, Internal Control Over Compliance in Accordance with OMB Circular A-133, and Schedule of Expenditures of Federal Awards

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## Compliance

We have audited the State of Wisconsin's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The State of Wisconsin's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs, as well as in Note 2 of the accompanying Notes to the State of Wisconsin Schedule of Expenditures of Federal Awards for the year ended June 30, 2000. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the management of Wisconsin state agencies. Our responsibility is to express an opinion on the State of Wisconsin's compliance based on our audit.

The federal awards administered by the Wisconsin Supreme Court were not included in the scope of our audit of federal awards because its grants are audited separately in accordance with OMB Circular A-133, if required. In addition, we did not include in our audit scope the federal awards administered by the Wisconsin Housing and Economic Development Authority. An audit of that entity was performed by other auditors.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of Wisconsin's compliance with those requirements.

As described in Finding WI-00-12 in the accompanying report narrative for the Wisconsin Department of Workforce Development and Section III of the Schedule of Findings and Questioned Costs, the State of Wisconsin did not comply with requirements regarding the period of availability of federal funds that are applicable to the Rehabilitation Services—Vocational Rehabilitation Grants to States program (catalog #84.126). Compliance with such requirements is necessary, in our opinion, for the State of Wisconsin to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as findings WI-00-1, WI-00-04, WI-00-05, WI-00-08 through WI-00-10, WI-00-14, WI-00-15, WI-00-17 through WI-00-21, WI-00-23, WI-00-25 through WI-00-41, and WI-00-43 through WI-00-49.

### **Internal Control Over Compliance**

The management of Wisconsin state agencies is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Wisconsin's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying agency report narratives and in Section III of the Schedule of Findings and Questioned Costs as findings WI-00-1 through WI-00-7, WI-00-9 through WI-00-25, WI-00-28, WI-00-32 through WI-00-35, WI-00-38, WI-00-39, WI-00-42, WI-00043, and WI-00-45 through WI-00-48.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Finding WI-00-21 related to inadequate documentation for direct payments to Vocational Rehabilitation clients to be a material weakness.

## **Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the State of Wisconsin as of and for the year ended June 30, 2000, and have issued our report thereon dated December 18, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements.

As described in Note 1 to the Schedule of Expenditures of Federal Awards, the schedule was prepared from agency records maintained on the basis of accounting prescribed by Wisconsin Statutes, which is a comprehensive basis of accounting other than generally accepted accounting principles, and from federal reports submitted by the agencies to the federal government.

The information in the schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

This independent auditor's report is intended solely for the information and use of the management of the State, the Wisconsin Legislature's Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities. This report, upon submission to the Joint Legislative Audit Committee, is a matter of public record and its distribution is not limited. However, this report is not intended to be used by anyone other than these specified parties.

LEGISLATIVE AUDIT BUREAU

April 16, 2001

by

Bryan Naab  
Audit Director



The Wisconsin Department of Health and Family Services (DHFS) administers a wide range of services to clients in communities and institutions, regulates certain care providers, and supervises and consults with local public and voluntary agencies. It administers state and federal programs involving public health, mental health, substance abuse, long-term care, services to the disabled, medical assistance, and children's services. DHFS disbursed \$4.3 billion during FY 1999-2000; federal grants to the State financed \$2.3 billion of that amount.

As part of our standard audit procedures, we reviewed DHFS's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DHFS's compliance with grant requirements for three type A grants and five type B grants. Overall, DHFS's internal control structure was adequate, and the agency complied with the grant requirements for the programs we tested. However, we have procedural findings and/or questioned costs related to the Foster Care Program, the Breast and Cervical Cancer Early Detection Programs, the Promoting Safe and Stable Families program, and property management. In addition, we followed up on the progress DHFS has made in implementing Findings WI-99-1 through WI-99-5 of our FY 1998-99 single audit report (report 00-5).

### **Foster Care Case File Documentation**

DHFS disbursed over \$99 million during FY 1999-2000 under the Foster Care program (catalog #93.658), which helps the State provide safe, appropriate substitute care for children who are under the jurisdiction of the State and need temporary placement and care outside their homes. Administration of the Foster Care program is the responsibility of the counties, with the exception of Milwaukee County, which is administered by the Division of Children and Family Services (DCFS), Bureau of Milwaukee Child Welfare (BMCW). Case workers located at five BMCW sites in Milwaukee County are responsible for, among other things, determining and documenting supplemental and exceptional needs payments and obtaining initial and subsequent court orders for the cases assigned to them.

We reviewed 48 BMCW case files to test whether the children were eligible and costs were reimbursable for funding under the Foster Care program. We have concerns related to documentation of basic, supplemental, and exceptional foster care payments and maintenance of court orders in the case files.

### **Finding WI-00-1: Undocumented Payments**

Foster care parents receive financial assistance to help pay for the costs of caring for foster children. The basic foster care rate is established during the State's biennial

budget process and is based on the age of the child. In addition, foster care parents may receive supplemental and exceptional payments based on the child's physical and mental condition. BMCW requires the case worker to complete the Uniform Foster Care Rate Setting form, which documents the authorized supplemental and exceptional payment amounts, within 30 days of the child's placement with a foster care family. After it is approved by the case worker's supervisor and the site's rate setter, who gives final approval of rates, the Uniform Foster Care Rate Setting form is routed back to the case worker, who is to enter the approved rate into the grant payment system and file the form in the child's case record.

We are concerned because payments to foster care parents were not always made for the approved basic rate or for the authorized supplemental and exceptional amounts documented on the Uniform Foster Care Rate Setting forms. In our review of 48 case files, we found one case had two basic payments totaling \$378 for August 1999, although the statutorily authorized amount for a child of the given age was \$387. Since this was an underpayment, we do not question costs related to this case.

Nineteen of the 48 cases reviewed involved supplemental payments. We found that the case files for five of these supplemental payments either did not contain a Uniform Foster Care Rate Setting form, or the authorized amount on the form did not match the supplemental payments made. We found three cases that led to questioned costs:

- Two cases had monthly supplemental payments varying from \$38 to \$288 throughout the fiscal year. While we found a Uniform Foster Care Rate Setting form for one of the cases, the varying payments did not match the authorized amount of \$108. BMCW staff were unable to provide a Uniform Foster Care Rate Setting form for the second case. In total, we questioned \$3,530 for these two cases, representing supplemental payments made during FY 1999-2000 in excess of the authorized and documented amounts.
- For one case, the authorized monthly supplemental payment on the Uniform Foster Care Rate Setting form had been revised by the rate setter from \$108 to \$72. However, DHFS continued to pay the foster care family \$108 per month for the entire fiscal year. As a result, we questioned \$432 for this case.

In total, we questioned \$3,962 in supplemental Foster Care program payments made during FY 1999-2000.

We also identified two cases in which underpayments were made. We do not question costs for these errors:

- One case had an authorized supplemental payment of \$108, but the foster care family received monthly payments of \$99.

- One case had an authorized monthly amount of \$216, but for one month the family received two supplemental payments totaling only \$213.

Finally, 3 of the 48 cases we reviewed involved exceptional payments. For one of these three case files, there was no documentation to support monthly exceptional payments of \$50. Therefore, we questioned \$600 in exceptional payments made during the fiscal year under the Foster Care grant program.

We discussed our findings with the Deputy Director of BMCW, who agreed there should be documentation to authorize the payment amount, and the payments made should equal the authorized amounts. BMCW staff were unable to explain the exceptions we identified. Therefore, we determined that all monthly payments in excess of the authorized amounts are unallowable costs of the grant program. For the cases we reviewed, these excess monthly payments totaled \$4,562. DHFS refunded the federal share of these payments, \$2,682, to the federal government on March 27, 2001. Therefore, we do not question these costs. However, additional unsupported payments may have been made in other cases. Due to the numerous errors noted and the potential for others, DHFS needs to take the appropriate steps, such as reviewing other case files, to ensure that foster care payments were made appropriately.

*We recommend the Wisconsin Department of Health and Family Services, Bureau of Milwaukee Child Welfare investigate the circumstances that allowed unsupported Foster Care program payments to occur and, based on this review, determine the extent to which there may be other unsupported payments and take appropriate corrective action to refund any further unallowable costs identified.*

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #G9901WI1401, #G9901WI1404, and #G0001WI1401):  
Undocumented Payments = Undetermined

DHFS Response and Corrective Action Plan: BMCW recognized the need for improvement in this area prior to the single audit and has taken, or will take, the following corrective action:

- In October 1999, all ongoing vendors were given 30 days to review all open foster care cases and to examine whether or not foster parents were receiving the full payments they were entitled to receive.
- Beginning in January 2001 and ending in March 2001, all staff at all sites received remedial training on how to appropriately enter payments into WiSACWIS, the new payment system.
- In January 2001, payment experts were named and subsequently trained at each site to assist staff with the appropriate rate construction, rate setting, and entering treatment foster care payments into WiSACWIS.

- Beginning in February 2001 and ending in April 2001, all staff at all sites were retrained on establishing rates for foster care and on rate setting.
- As part of the BMCW quarterly program evaluation manager reviews, which began in 2000, BMCW examined rates and rate setting for foster care twice per year. As a result of the issues brought forth in the single audit, BMCW will now also compare the actual payments made through WiSACWIS with the rate setting information, to see if they match.

Note: In most of the cases reviewed during the audit, the payments were made through the former payment system—SCRIPTS—which is no longer used. In that information processing system, workers could enter payments, which subsequently would be made, without supervisory approval. In the new WiSACWIS system, all payments require supervisory approval.

If the above review discloses any unallowable payments, BMCW agrees to report the payment to the Bureau of Fiscal Services for adjustment on the federal claim.

### **Finding WI-00-2: Court Orders**

42 USC 672(a)(2) states that federal foster care benefits may be paid on behalf of a child only if the child's placement and care are the responsibility of either the state agency administering the approved Title IV-E plan or another public agency under a valid agreement with DHFS. Continuing legal responsibility is documented by court orders that maintain the agency's legal responsibility for the placement of the child. BMCW's written procedures require the initial and any subsequent court orders to be placed in the child's case file. However, 5 of the 48 case files we reviewed did not contain the court orders. BMCW staff subsequently provided us with copies of court orders for three of the cases, and other adequate court documentation for the remaining two cases.

*We recommend the Wisconsin Department of Health and Family Services, Bureau of Milwaukee Child Welfare enforce its written policy that court orders be maintained in the case files of Foster Care program children.*

Questioned Costs: Foster Care—Title IV-E (catalog #93.658, award #G9901WI1401, #G9901WI1404, and #G0001WI1401): Lack of Court Orders in Case Files = None

DHFS Response and Corrective Action Plan: BMCW indicates staff will monitor, via program evaluation manager reviews, that court orders are kept in the case files. The program evaluation managers will perform random checks of case files and check for the existence of the court order in the files.

### **Finding WI-00-3: Record-Keeping for the Promoting Safe and Stable Families Program**

During FY 1999-2000, the Bureau of Community and Family Development (BCFD) in DHFS's Division of Child and Family Services disbursed nearly \$3 million under the Promoting Safe and Stable Families program (catalog #93.556). DHFS subgrants approximately 80 percent of the grant award to Wisconsin counties. Each county must submit an annual plan to BCFD outlining program goals and a proposed budget of how it will spend the subgranted funds. BCFD reviews the goals and budget outlined in each plan and, if they appear suitable, approves the plan.

The Common Rules require DHFS to maintain grant-related records for three years after the end of the award period. For example, DHFS should maintain, in an orderly manner, items such as the plans submitted by the counties, documentation of the dates they were submitted, and evidence of BCFD review and approval. We are concerned because it appears DHFS is not adequately maintaining such records for the Promoting Safe and Stable Families program.

We selected six of the county plans for our review to ensure they contained the required information and were approved by BCFD. It took considerable effort and several months for the grant coordinator to provide the requested information. Furthermore, for one of the requested county plans, DHFS could not locate the approval letter or provide documentation on when the plan was submitted. The regional office requested the county to resubmit its plan along with a copy of the approval letter.

*We recommend the Wisconsin Department of Health and Family Services ensure it maintains grant-related information, such as county plans and evidence of their approval, for the Promoting Safe and Stable Families program.*

**Questioned Costs:** Promoting Safe and Stable Families (catalog #93.556, award #G9910WI00FP and #G0001WI00FP): Inadequate Record Keeping = None

**DHFS Response and Corrective Action Plan:** The Division of Child and Family Services has indicated the bureau responsible for this program has established a single location at which the county plans and approvals will be kept and is arranging for these documents to be transferred to the Division's central file area. The Division believes this approach will result in an efficient way of organizing and storing these documents.

### **Finding WI-00-4: Administration of Breast and Cervical Cancer Early Detection Programs**

During FY 1999-2000, DHFS disbursed nearly \$2.5 million under the Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (catalog #93.919) grant. The purpose of the grant is to develop comprehensive breast and cervical cancer early detection programs. These programs focus on increasing screening and follow-up among all groups of women, especially

low-income, uninsured, underinsured, or minority women. Eligible participants—women between the ages of 40 and 64 who are at or below 250 percent of the federal poverty level—are certified by local coordinating agencies. Eligible providers must complete a participation agreement and provide their federal identification number, which DHFS compares to a Medical Assistance database to verify the provider is qualified to perform the screening services. Providers request payment for services on an activity reporting form.

In addition to verifying the eligibility of the participants and providers, DHFS grant administrators must ensure grant funds are spent on allowable costs and before the end of the grant period. During our current audit, we reviewed 318 provider participation agreements and 242 claims and the related patient eligibility forms to determine if grant expenditures were adequately supported. We identified \$253 in program costs that were not sufficiently documented:

- One provider was paid \$21 for services provided to a patient for whom no eligibility form was on file. DHFS later determined the patient was ineligible to participate in the program.
- Providers were paid at least \$61 for services provided to a patient for whom no eligibility form was on file, although based on other evidence, DHFS staff believe the patient to be eligible for the program. However, without a signed eligibility form, we were unable to verify the patient's eligibility.
- One provider was paid \$44 even though there was no participation agreement in the files establishing the eligibility of the provider.
- Three claims totaling \$127 were paid although we found no activity reporting forms documenting the providers' requests for payment.

We also found that 12 eligibility forms were not signed by patients, which is required as a means of indicating the patients' agreement that the information included on the forms is complete and accurate.

While the amount of questioned costs noted is not large, we believe the volume of discrepancies identified during our review suggests an underlying weakness with the administration of the program.

*We recommend the Wisconsin Department of Health and Family Services review the policies and procedures in place to administer the Breast and Cervical Cancer Early Detection Programs to ensure they are being carried out effectively.*

Questioned Costs: Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (catalog #93.919, award #90CCU509699): Grant Administration = \$253

DHFS Response and Corrective Action Plan: The Division of Public Health agrees with the recommendation and has taken, or will take, the following steps to ensure that only eligible clients are receiving eligible services from authorized providers and that the rate of reimbursement is appropriate. The Division of Public Health will also recover or make adjustments for the ineligible payments.

- The eligibility form (DPH 4818) has been revised to improve format, content, and distribution protocol to ensure that a copy of each enrollment form is received and filed in the program's central files.
- The provider participation agreement (DPH 4725) has also been reviewed and revised to strengthen the language about provider responsibilities and obligations.
- Program staff also reviewed with the fiscal agent, EDS, the requirement that EDS only reimburse providers when 1) both the provider participation agreement and the provider data sheet are on file, and 2) there is both the billing form (UB-92/HCGA-1500) and the appropriate screening and/or diagnostic form.

A revised program manual is due for distribution this quarter, which will extensively address the above issues.

### **Finding WI-00-5: Property Management**

The Common Rules and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and department property management policies. DHFS's policy is to maintain equipment inventory records, annually perform a physical inventory of equipment and reconcile the results to the equipment records, and maintain an appropriate control system to safeguard equipment.

During prior audits, we expressed concerns regarding the accuracy of DHFS's fixed-asset records. During our FY 1998-99 audit, we noted DHFS was in the process of implementing a new system to track equipment and that staff expected to have all necessary information entered on the system by April 28, 2000. However, we learned during our current audit that while entries have been made to record all of DHFS's fixed assets in the system, the records are not complete. In fact, information was incomplete for 8 of 12 assets we reviewed. We found the locations were either not specific or inaccurate for seven assets, and the serial number was not listed for two assets, which includes one of the seven assets that had incomplete location information.

We discussed our concerns with DHFS staff, who explained that fixed-asset records were incomplete because information was obtained from the previous system, which did not contain all the required information for each asset. Staff agreed that improvements are needed in this area and that fixed-asset information recorded on the new system needs to be verified with the various divisions.

We recommend the Wisconsin Department of Health and Family Services review fixed-asset records and work with the respective divisions to ensure they are complete and accurate.

Questioned Costs: Multiple Grants: Property Management = None

DHFS Response and Corrective Action Plan: The DHFS Bureau of Fiscal Services acknowledges that in some cases the location was not specific enough to quickly locate an item. The Bureau will review the fixed-asset records and work with the respective divisions to ensure they are more specific.

### **Prior Audit Follow-up**

As part of our current audit, we followed up on findings WI-99-1 through WI-99-5 of our FY 1998-99 single audit report. DHFS has addressed concerns related to quality-control reviews. However, continued improvement is needed related to reconciliation of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food instruments, reconciliation of Medical Assistance expenditure information, and subrecipient monitoring.

### **Finding WI-00-6: Reconciliation of WIC Food Instruments**

Eligible participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (catalog #10.557) are certified and approved for WIC eligibility by local WIC agencies and clinics throughout Wisconsin. The local agencies and clinics issue WIC food instruments that participants redeem for WIC-approved food items at local WIC vendors within 30 days of issuance. Federal regulations require states to reconcile redeemed food instruments to issuance records within 150 days of issuance to participants. To aid in this reconciliation, DHFS sends the monthly Dual Participation Report and the Questionable Issuance Report to local WIC agencies. In Chapter 8 of the WIC System Manual, DHFS requires local WIC agencies to review these reports and send information back to DHFS within 30 days, detailing any circumstances in which food instruments were not validly issued.

In our prior audit, we reported that although DHFS appeared to meet federal reconciliation requirements, there were exceptions listed on the Dual Participation Reports and the Questionable Issuance Reports that were not investigated (Finding WI-99-1). Exceptions should be investigated to ensure there are no cases of dual participation or questionable issuances of food instruments.

DHFS has implemented partial corrective action. The WIC Vendor Unit has assumed responsibility for monitoring Dual Participation Reports and uses a log to track the reports that have been received and, when necessary, sends follow-up letters to the local agencies to remind them of their responsibility to send back the reports with explanations. However, DHFS has not taken steps to ensure the Questionable Issuance Reports are reviewed and returned by local agencies. It is important the Questionable Issuance Reports also be reviewed because they list WIC food instruments issued to clients who may no longer be

eligible to receive them. For instance, as of January 30, 2001, 15 of the 62 reports sent to local agencies during May and June 2000 were not returned to DHFS. The 15 unreturned reports listed \$8,095 in questionable food instruments.

We recommend the Wisconsin Department of Health and Family Services enforce its written policy that all local agencies review and return reconciled Questionable Issuance Reports within 30 days of receipt.

Questioned Costs: Special Supplemental Nutrition Program for Women, Infants, and Children (catalog #10.557, award #USDA00W1003, #USDA00W1006, #USDA00W1011, #USDA99W1003, #USDA99W1006, and #USDA99W1011):  
Reconciliation of WIC Food Instruments = None

DHFS Response and Corrective Action Plan: The Division of Public Health agrees with the recommendation and will enforce its written policy that all local agencies review and return reconciled Questionable Issuance Reports within 30 days of receipt.

#### **Finding WI-00-7: Reconciliation of Medical Assistance Expenditure Information**

All grants administered by DHFS are assigned to project monitors within the Bureau of Fiscal Services, who monitor grant expenditures and complete required federal financial reports. It is important for the project monitor of the Medical Assistance Program (catalog #93.778) and the State Survey and Certification of Health Care Providers and Suppliers (catalog #93.777) grant to reconcile expenditures reported on the quarterly HCFA-64 and HCFA-435 financial reports to federal reimbursements received through the State's cash management system, which is maintained by the State Controller's Office in the Department of Administration. This reconciliation ensures the accuracy of the amounts reported in the quarterly reports and that DHFS has received federal reimbursement for reported expenditures. In our prior audit, we noted that because of turnover in the project monitor position, DHFS had not completed these reconciliations since the quarter ended March 31, 1998 for the Medical Assistance Program and since the quarter ended December 31, 1998 for the State Survey and Certification of Health Care Providers and Suppliers grant (Finding WI-99-3).

During our current audit, we found DHFS has not completed its corrective action plan related to these reconciliations. Although many of the variances have been investigated and corrected for the Medical Assistance Program through FFY 1999-2000, staff have not yet completed the reconciliation of all the variances, one of the largest being \$172.5 million. In addition, while the necessary reconciliations for State Survey and Certification of Health Care Providers and Suppliers were completed for FFYs 1997-98 and 1998-99, they have not been completed for FFY 1999-2000 due to staff reassignment and medical leave. Therefore, DHFS is not assured of the accuracy of expenditures reported and federal reimbursements received for these two programs.

We recommend the Wisconsin Department of Health and Family Services give higher priority to reconciling expenditures reported on the quarterly financial reports to federal reimbursements received through the federal cash management system.

Questioned Costs: State Survey and Certification of Health Care Providers and Suppliers (catalog #93.777, award #059905WI5000, #05-9905-WI-5001, #050005WI5000, and #05-0005-WI-5001): Reconciliation of Quarterly Report to FCM System = None

Medical Assistance Program (catalog #93.778, award #059905WI5028, #059905WI5048, #050005WI5028, #050005WI5048): Reconciliation of Quarterly Report to FCM System = None

DHFS Response and Corrective Action Plan: The Bureau of Fiscal Services agrees with the recommendation. Considerable progress has been made in the past year in identifying and investigating variances in the reconciliation of Medical Assistance expenditure information. The Bureau continues to work on reconciling these variances and has recently been able to allocate additional resources to work on this high-priority project. Of the \$172.5 million variance noted by the auditors, the Bureau has identified \$121 million as a timing difference caused by the need to transfer expenditures between grant awards while waiting for an adjustment to grant authority. This was noted in our working papers submitted for the auditors' review. It is important to note that many of the variances in the reconciliation do not require an adjustment to either the expenditure reports or the revenue draws but are corrected simply by improving the alignment of the source documents in the reconciliation worksheets. Assuming stable staffing levels, the Bureau of Fiscal Services' target date for completing the reconciliation of FFYs 1998-2001 is March 2002.

### **Finding WI-00-8: Subrecipient Monitoring**

According to OMB Circular A-133 and *State Single Audit Guidelines* published by the Wisconsin Department of Administration, DHFS is to receive audit reports from subrecipients required to have audits, perform desk reviews of the reports, issue timely management decisions on audit findings, and require subrecipients to take timely corrective action on deficiencies identified in audits. The *State Single Audit Guidelines* require these tasks to be completed within 180 days of when all the information required to perform audit monitoring duties has been received by the office responsible for the review.

During our FY 1998-99 audit, we reported (Finding WI-99-4) that 6 audit reports included in a backlog from 1996 or earlier, as well as 32 audits for 1997, had not been finalized as of March 31, 2000. In addition, DHFS did not meet the 180-day guideline for reviewing subrecipient audit reports.

During our current audit, we found that DHFS increased the number of staff performing subrecipient audit monitoring duties and eliminated the backlog of unreviewed reports. However, DHFS did not meet the 180-day guideline for 48 of the 84 subrecipient audit reports for 1998. DHFS staff told us that now that the backlog has been eliminated, they plan to give priority to completing the reviews within the 180-day guideline.

We recommend the Wisconsin Department of Health and Family Services give priority to meeting timeliness standards for reviewing subrecipient audit reports.

Questioned Costs: Multiple Grants: Subrecipient Monitoring = None

DHFS Response and Corrective Action Plan: As the finding notes, the Office of Program Review and Audit has made progress in eliminating the backlog of audits to be reviewed. The Office will now concentrate on completing reviews of audit reports within the 180-day guideline. The nature and timing of other high-priority assignments of the Office may mean that from time to time the 180-day guideline may not be met despite the Office's best efforts to address all of its major priorities.

**Quality-Control Reviews**

DHFS is the state cognizant agency for the 72 counties in Wisconsin, 10 tribes, and 4 other entities. According to *State Single Audit Guidelines*, the state cognizant agency must perform quality-control reviews for 5 percent of these audits to determine whether the independent auditors have followed the required auditing standards and guidelines for single audits. Therefore, DHFS must complete five quality-control reviews each year.

During our prior audit, we reported that while DHFS had selected eight new quality-control reviews to complete during calendar year 2000 to meet the 5 percent requirement for that year and to serve as replacements for the uncompleted reviews selected during prior years, it had yet to start any field work. DHFS implemented its corrective action plan and has completed all eight of the quality-control reviews.

**Wisconsin Department of Health and Family Services  
Summary of Findings and Questioned Costs  
FY 1999-2000**

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-6	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Reconciliation of WIC Food Instruments*	\$ 0

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-3	93.556	Promoting Safe and Stable Families	Inadequate Record Keeping	\$ 0
WI-00-1	93.658	Foster Care—Title IV-E	Undocumented Payments	Undetermined
WI-00-2	93.658	Foster Care—Title IV-E	Lack of Court Orders in Case Files	0
WI-00-7	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System*	0
WI-00-7	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System*	0
WI-00-4	93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	Grant Administration	253

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-5		Multiple Grants	Property Management	\$ 0
WI-00-8		Multiple Grants	Subrecipient Monitoring*	0

\*Repeat finding from audit report 00-5

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The Wisconsin Department of Workforce Development (DWD) administers programs for unemployment insurance, workers' compensation, equal rights in employment and housing, apprenticeship job training, employment services and training, income maintenance, vocational rehabilitation, and other related programs. DWD also administers Wisconsin Works (W-2), Wisconsin's work-based public assistance program that is designed to help needy families achieve self-sufficiency. Excluding unemployment insurance benefits and food stamps, DWD disbursed \$1.87 billion during FY 1999-2000; federal grants to the State financed \$662.8 million of that amount. In addition, during FY 1999-2000 the Wisconsin Unemployment Reserve Fund financed \$509.8 million in unemployment insurance benefits, and DWD issued food stamps valued at \$118.8 million.

As part of our standard audit procedures, we reviewed DWD's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DWD's compliance with grant requirements for seven type A grants and one type B grant. We have concerns related to the Temporary Assistance for Needy Families (TANF) grant, the Vocational Rehabilitation program, the Child Support Enforcement program, and cash management.

We also followed up on findings included in our prior single audit report (report 00-5). While DWD has addressed many of our prior audit concerns, improvement is still needed in a variety of areas. Most important, DWD needs to continue its efforts to ensure supporting documentation is obtained for direct payments to Vocational Rehabilitation clients.

In total, based on our new findings this year, as well as the results of our prior audit follow-up, we question \$934,137 related to DWD's administration of federal grant programs. We will follow up during next year's single audit to determine whether DWD has implemented appropriate corrective action to address our concerns.

### **Temporary Assistance for Needy Families**

The Division of Workforce Solutions within DWD administers the Temporary Assistance for Needy Families grant (catalog #93.558). The TANF program is intended to provide time-limited assistance to needy families with children so that the children can be cared for in their own homes or in the homes of relatives; to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. DWD is required to prepare quarterly TANF financial reports so that the federal government can monitor the scope and nature of the State's TANF program. We identified concerns related to the transfer of TANF funds to

the Social Services Block Grant (SSBG) (catalog #93.667), charges to prior-year award funds, and federal reporting.

### **Finding WI-00-09: Transfers of TANF Funds to SSBG**

Wisconsin was allocated \$318,188,410 in TANF funds for FFY 1997-98, and the same amount for FFY 1998-99. Of this amount, \$317,505,180 was allocated to state government, and \$683,230 was allocated to those Indian tribes that elected to operate their own TANF programs.

Under federal regulations, states are allowed to transfer up to 10 percent of their TANF awards to SSBG. DWD based its 10 percent limit calculations on the State's total TANF award of \$318,188,410 and transferred \$31,800,000 of TANF funding to SSBG for each federal fiscal year. The Department of Health and Family Services (DHFS), which administers SSBG in Wisconsin, drew down the full amount transferred for each year for use in the SSBG program.

However, before September 30, 1999 quarterly TANF financial reports were completed, it appears that the TANF grant accountant at DWD received verbal notification from the federal government that the 10 percent limit was to be based on the \$317,505,180 allocated for Wisconsin state government, rather than the total TANF award. Beginning with the September 30, 1999 quarterly financial reports, DWD reported that the amounts transferred to SSBG were \$31,750,000 (rounded). However, no action was taken to adjust the state and federal accounts to reflect what was reported.

We contacted the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Regional Operations, Midwest Hub, which verified that federal regulations require the 10 percent limit to be based on the net award amount. Therefore, the maximum amount the State was allowed to transfer to SSBG each federal fiscal year was \$49,482 less than the amount actually transferred, and the State received \$98,964 in federal funds that it was not entitled to receive during the two-year period.

*We recommend the Wisconsin Department of Workforce Development work with the Wisconsin Department of Health and Family Services to adjust amounts transferred from Temporary Assistance for Needy Families awards to the Social Services Block Grant to comply with federal regulations and return \$98,964, consisting of \$49,482 in excess transfers to the Social Services Block Grant for the FFY 1997-98 award and \$49,482 for the FFY 1998-99 award, to the federal government.*

Questioned Costs: Temporary Assistance for Needy Families (catalog #93.558, award #G9801WITANF): Transfers of TANF Funds to SSBG = \$49,482

Temporary Assistance for Needy Families (catalog #93.558, award #G9901WITANF): Transfers of TANF Funds to SSBG = \$49,482

DWD Response and Corrective Action Plan: DWD agrees. DWD representatives met with DHFS and the Department of Administration (DOA) to discuss the amount to be repaid to the federal government. DHFS and DOA are in the process of determining the funding source for the repayment.

**Finding WI-00-10: Charges to Prior-Year Award Funds**

Before final federal TANF regulations became effective on October 1, 1999, states had an indefinite period of time in which to spend their annual TANF awards. As a result, DWD was able to charge any TANF-eligible costs, regardless of when they were incurred, against any open grant award. However, the final TANF regulations require DWD to ensure that awards ending on or before September 30, 1999, are used only for eligible purposes for which funds were obligated by September 30, 1999, or for assistance and related administrative costs regardless of when these costs are incurred.

DWD reported unspent TANF funds totaling \$356.0 million as of September 30, 1999. As shown in Table 1, \$305.2 million of that amount was obligated for use in funding certain W-2 contracts. The remaining \$50.8 million was unobligated and, therefore, could be used only for assistance and related administrative costs. We have two concerns with DWD’s accounting for prior-year award funds.

Table 1

**Unspent TANF Funds as of September 30, 1999**

Award Year Ending <u>September 30</u>	Amount <u>Obligated</u>	Unobligated <u>Balance</u>
1996	\$ 14,716,473	\$20,058,216
1997	44,006,610	0
1998	105,160,767	0
1999	<u>141,269,890</u>	<u>30,746,763</u>
Total	\$305,153,740	\$50,804,979

First, DWD has not implemented controls to ensure that prior-year funds are used only for the W-2 contracts for which they were obligated, or for assistance and related administrative costs. While DWD provided some informal notices to staff of the limitations on the use of prior-year funds, it has not taken additional steps to either

prevent ineligible costs from being charged to prior-year TANF awards or to review and identify ineligible costs that may have been inadvertently charged.

During our current audit, we identified over 200 payment and allocation transactions that had been charged to prior-year awards and, based on the ledgers used and the payees' names, did not appear to be associated with either the W-2 contracts for which funds had been previously obligated or assistance and related administration. These transactions totaled \$200,896. We selected six of the largest payment transactions, totaling \$190,555, for further review. The six transactions were for nonassistance costs associated with conferences, employee travel, and employment transportation for program participants.

The transactions we identified may be eligible costs of the TANF program, and DWD may be able to charge them to the FFY 1999-2000 award rather than return the funds to the federal government. However, we question the costs because the final TANF regulations require DWD to ensure that prior-year awards are used only for eligible purposes for which funds were obligated by September 30, 1999, or for assistance and related administrative costs. DWD should review all costs charged to prior-year award funds after September 30, 1999, to ensure they were eligible under the award year charged and, if they were not, transfer them to other funding sources.

Second, DWD could be expected to properly document the unliquidated obligations reported in the quarterly TANF financial reports, which are required for each open award year, by maintaining records—either within its accounting system or outside that system—to track the amounts initially obligated under each award year, the expenditures charged to liquidate those obligations, and the remaining unliquidated balances. However, DWD has not developed or implemented procedures for tracking these obligations.

Rather, for reporting purposes, DWD generally assumes that any unspent prior-year funds have been obligated and reports those amounts in the quarterly reports. However, because not all unspent amounts have been obligated, as was shown in Table 1, DWD should instead specifically track obligations for each award period. For example, as of September 30, 1999, DWD had obligated \$141.3 million of the FFY 1998-99 award for W-2 contracts. Logically, the obligated balance for future quarters would be less than this amount because it would be reduced by payments made to W-2 agencies. However, DWD reported obligations of \$147.7 million on the June 30, 2000 TANF Financial Report.

As unspent funds from additional award years are obligated, tracking these balances will become more complicated. Therefore, it is important that DWD act quickly to develop and implement procedures in this area. We discussed these concerns with a representative from DWD's Finance Reengineering Team, who agreed that DWD needs to develop and implement additional procedures and controls for accounting for and reporting prior-year award funds.

We recommend the Wisconsin Department of Workforce Development:

- ensure it uses prior-year Temporary Assistance for Needy Families funds only for the purposes for which they were obligated, or for assistance payments and the administrative costs of providing assistance;
- review Temporary Assistance for Needy Families grant transactions charged after September 30, 1999, to prior-year awards to ensure that all expenditures are an allowable use of prior-year funds, and transfer those that are not allowable to alternative funding sources that, if eligible, may include a different award year; and
- develop procedures to track amounts obligated, expenditures charged against those obligations, and the remaining obligated balances.

Questioned Costs: Temporary Assistance for Needy Families (catalog #93.558, award #G9701WITANF): Charges to Prior-Year Award Funds = Undetermined

Temporary Assistance for Needy Families (catalog #93.558, award #G9801WITANF): Charges to Prior-Year Award Funds = \$160,223, Plus an Undetermined Amount

Temporary Assistance for Needy Families (catalog #93.558, award #G9901WITANF): Charges to Prior-Year Award Funds = \$40,673, Plus an Undetermined Amount

DWD Response and Corrective Action Plan: DWD agrees and is taking the following actions:

- developing written policies and procedures with regard to TANF expenditure coding, to ensure proper use of TANF funds. In addition, a monthly report will be created to review for expenditures charged to a prior award year that may not be allowable expenditures per the federal guidelines.
- reviewing TANF grant transactions charged after September 30, 1999, to prior-year funds for appropriateness; and
- developing a system to track TANF obligations on a monthly basis.

### **Finding WI-00-11: Federal Reporting**

The quarterly TANF Financial Report is detailed, and its preparation requires DWD to obtain information from its accounting system, the Community Aids Reporting System, and other sources. An experienced and knowledgeable grant accountant was responsible for preparing TANF financial reports until he left DWD's employment in June 2000. We found few written reporting procedures to guide the subsequent accountants. While staff attempted to replicate the former grant accountant's work, they found it difficult to do so. Although there was no direct fiscal effect, we identified several errors in the reports DWD submitted for the quarter ended June 30, 2000. For example:

- the FFY 1999-2000 award amount did not reflect the April 1, 2000 allotment of \$79,632,506;
- the federal government's share of administrative expenditures was overstated by \$990,074 for the FFY 1996-97 award and by \$2,891,222 for the FFY 1999-2000 award; and
- the federal government's share of expenditures for information systems was overstated by \$1,385,134 for the FFY 1996-97 award.

Prior to DWD's submission of the September 30, 2000 reports, we informally discussed the errors we were aware of at that time with DWD staff. Staff corrected most of the errors, although administrative expenditures were again overstated by \$990,074 for the FFY 1996-97 award. We provided DWD with a list of the errors we identified. DWD staff have reported to us that all of the errors were corrected prior to the submission of the December 31, 2000 reports.

In order to accurately prepare the quarterly TANF Financial Report in the event of staff turnover, it would be helpful for DWD to maintain detailed written procedures and to cross-train staff. In addition, because of the complexity of the reports, DWD should perform a detailed supervisory review to ensure the reports are accurate.

*We recommend the Wisconsin Department of Workforce Development develop comprehensive written procedures for preparing the quarterly Temporary Assistance for Needy Families Financial Report, cross-train staff for preparation of this report, and perform sufficient supervisory review of the reports before they are submitted to ensure their accuracy.*

Questioned Costs: Temporary Assistance for Needy Families (catalog #93.558):  
Federal Reporting = None

DWD Response and Corrective Action Plan: DWD agrees. Procedures have been developed that detail how to prepare the quarterly TANF financial reports. Additional staff will be cross-trained to provide backup support when needed, and supervisory review will occur to ensure TANF financial reports are accurate.

## **Rehabilitation Services—Vocational Rehabilitation Grants to States**

The Division of Vocational Rehabilitation (DVR) within DWD administers the Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126). The Vocational Rehabilitation program assists eligible individuals with disabilities so that they can prepare for and engage in gainful employment. We have concerns related to certain obligations created by DWD under the FFY 1997-98 grant and the supporting documentation for an important federal report that summarizes administrative costs. We also note that a program audit conducted by this office in 2000 (report 00-11) noted serious deficiencies in DWD's financial planning and management: in May 2000, DWD publicly reported a \$7.5 million financial shortfall in the Vocational Rehabilitation program, and in August 2000 the program was closed to new participants. Finally, follow-up to our prior audit findings related to the Vocational Rehabilitation program is included later in this chapter. DWD needs to take additional steps to address concerns related to non-federal match and direct payments made to clients (Findings WI-00-20 and WI-00-21).

### **Finding WI-00-12: Questioned Obligations**

DVR contracts with several public agencies in order to make new or innovative services available to Vocational Rehabilitation clients. One of the largest contracts has been with the Wisconsin Department of Commerce for the Job Creation Program (JCP). JCP provided funds to businesses that agreed to expand their operations and reserve newly created jobs for Vocational Rehabilitation clients.

Federal rules allow the State to use funding made available under the annual Vocational Rehabilitation grant to cover expenditures for the year of the award, the federal fiscal year subsequent to the award, and for a period of 90 days after the close of the second federal fiscal year in order to liquidate obligations made prior to the end of that fiscal year. Therefore, for the FFY 1997-98 grant, the State could finance expenditures for the two-year period ending September 30, 1999, plus cover the costs to liquidate obligations through December 31, 1999. Any expenditures made after December 31, 1999, are not eligible for reimbursement under the FFY 1997-98 grant. We found DWD took questionable steps to create obligations for this grant near the close of the two-year funding period and sought and gained reimbursements for obligations that were not liquidated until after the 90-day deadline had passed.

DWD had a contract with the Department of Commerce for the period of October 1, 1997 through September 29, 1999. On September 29, 1999, DWD amended that contract to include the following provisions:

- Prior to October 29, 1999, Commerce was required to invoice DWD for the federal portion of: 1) any unliquidated obligations issued through its grant award letters and contracts, and 2) the October 1999 salaries and fringe benefits for JCP staff at Commerce.

- Prior to November 30, 2000, Commerce was required to return any unspent funds it had received as advance payment from DWD.

Table 2 summarizes the activities and funding related to the September 29, 1999 amendment to the Commerce contract.

Table 2

**Commerce Contract Amendment for the FFY 1997-98 Grant**

DWD Payment to Commerce (January 20, 2000)		\$400,881
October 1999 Administrative Expenditures		
Claimed by Commerce:		
Salaries and fringe benefits	\$ 14,886	
Supplies and services	2,581	
Indirect	<u>2,846</u>	
Total		20,313
Disbursements by Commerce to Contractors:		
October 1, 1999 through December 31, 1999		8,683
Subsequent to December 31, 1999:		
January 2000	39,350	
April 2000	54,185	
July 2000	9,440	
September 2000	<u>117,223</u>	
Total post-December 1999 payments		<u>220,198</u>
Funds Returned to DWD on October 25, 2000		\$151,687

The evident purpose of the amendment was to preserve federal funding under the FFY 1997-98 grant award that may have otherwise been unavailable to the State. We have two areas of concern with the intent and execution of the contract amendment. First, we found DWD mandated an unusual and questionable business practice in requiring that the recipient of funding demand payment well in advance of incurring any costs. Typically, state agencies do not require their suppliers and contractors to bill in advance for future services, then require that the contractor repay funds if actual expenditures are less than estimated amounts.

Even if one accepts the contract amendment as providing for a valid and reasonable billing procedure, the obligation that was created related to Commerce's administrative costs is questionable because the services clearly were provided after September 30, 1999. We

agree that contracts and awards to parties outside the State can create valid obligations of the State. However, we question whether the State can create federal obligations in the manner done by DWD for the ongoing administrative costs that are incurred by another agency of the same state government. These ongoing administrative costs may be valid expenditures under a subsequent grant period, but not for the FFY 1997-98 award. Therefore, we question \$20,313 in reimbursements received by DWD for October administrative costs incurred by Commerce, as summarized in Table 2.

If it is allowed that the State did have authority, under federal rules, to obligate the FFY 1997-98 award for contracts that Commerce had in effect on September 30, 1999, federal rules require that these obligations be liquidated within 90 days after that date. Of the \$380,568 in obligations for contracts entered into by Commerce, we found Commerce expended \$8,683 within the 90-day liquidation period and expended \$220,198 after the liquidation period had passed. We question all of the Commerce payments made after December 31, 1999, for failing to meet the federal 90-day liquidation requirement for the FFY 1997-98 grant. These payments, however, may be eligible for reimbursement under grants subsequent to the FFY 1997-98 grant.

Our second area of concern is that federal cash management requirements were ignored. The federal government and the State have agreed that the payment of program costs and federal reimbursements should be timed so that neither government gains an advantage over the other. However, as was shown in Table 2, Commerce returned \$151,687 in unspent funds to DWD on October 25, 2000; therefore, the State had the advantage of investing these federal funds from the time they were initially drawn until they were returned to the federal government, which was on January 18, 2001. We question \$8,221 in interest that the State earned at the expense of the federal government, based on an interest rate of 5.42 percent, which the federal government used in resolving cash management issues with the State for FY 1999-2000.

In summary, we question all of the expenditures reimbursed on the FFY 1997-98 grant for the obligated administrative funds, all contract-related costs that were not liquidated within the 90-day liquidation period, and \$8,221 for interest earnings on funds that were eventually returned to the federal government.

*We recommend the Wisconsin Department of Workforce Development follow usual and customary business practices in contracting and refrain from any practices that have the effect of drawing unearned funds from the federal government.*

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126, award #H126A80074): Questioned Obligations = \$248,732

DWD Response and Corrective Action Plan: DWD agrees. DWD will follow usual and customary business practices in contracting and refrain from any practices that have the effect of drawing unearned funds from the federal government.

### **Finding WI-00-13: Rehabilitation Services Administration Report**

DWD is required to prepare the Rehabilitation Services Administration-2 (RSA-2) report, which is an annual report that details program costs for the Vocational Rehabilitation program. This report is completed by staff in DVR and includes total program expenditures, case count information for specific categories of services, and expenditure information for each category. Case counts are obtained from DVR's client monitoring system, and expenditure information is obtained from both the client monitoring system and DWD's accounting system.

This report is important because the administrative expenditure information is used to calculate a monthly administrative cost per client. The federal government uses this per client cost to determine the amount of social security reimbursement funds to pay the State. These funds are in addition to the Vocational Rehabilitation grant and are dependent upon the number of clients receiving federal Social Security—Disability Insurance (catalog #96.001) or Supplemental Security Income payments who have been successfully rehabilitated by the Vocational Rehabilitation program.

We attempted to review the preparation of the FFY 1998-99 RSA-2 report, filed in February 2000. However, because DVR's staff did not retain documentation to support adjustments they made to information reported on the client monitoring system and DWD's accounting system, we were unable to determine if the amounts reported in the RSA-2 report and used to calculate the monthly cost per client for social security reimbursement are accurate. DVR staff told us that they did not retain the supporting documentation because it took up too much storage space.

DWD reported \$26,306,651 in administrative costs on the FFY 1998-99 RSA-2 report. This same amount was used in the formula to calculate the monthly cost per client for social security reimbursement purposes. To assess the reasonableness of this amount, we obtained supporting documentation used to prepare the FFY 1998-99 Financial Status Report (FSR) for the quarter ended September 30, 1999. This supporting documentation was prepared from information obtained from the accounting system and represents actual expenditures and unliquidated obligations at that date. This documentation indicates that administrative expenditures and unliquidated obligations recorded on the accounting system for FFY 1998-99 totaled \$24,981,817, which is \$1,324,834 less than the amount reported in the RSA-2 report. Based on discussions with staff, the variance is most likely the result of adjustments related to additional unliquidated obligations.

*We recommend the Wisconsin Department of Workforce Development's Division of Vocational Rehabilitation verify the accuracy of the FFY 1998-99 Rehabilitation Services Administration-2 report and file an amended report, if necessary. In addition, we recommend the Department maintain documentation to support the Rehabilitation Services Administration-2 reports in the future.*

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126, award #H126A90074) and Social Security—Disability Insurance (catalog #96.001): Reporting = Undetermined

DWD Response and Corrective Action Plan: DWD agrees. The DWD data warehouse was used to recreate the administrative costs reported on the FFY 1998-99 RSA-2 report and was within 0.5 percent of the number originally reported. Due to the immateriality of this difference, DWD believes it is not necessary to reissue the RSA-2 report. For future reports, supporting documentation used for preparation will be retained.

### **Finding WI-00-14: Excess Federal Reimbursements under the Child Support Enforcement Program**

The Child Support Enforcement program (catalog #93.563) is administered on a statewide basis by the Bureau of Child Support in DWD's Division of Workforce Solutions. The objectives of the Child Support Enforcement program are to: 1) establish paternity; 2) locate absent parents; 3) enforce support obligations owed by noncustodial parents; and 4) obtain child and spousal support. DWD maintains the Kids Information Data System (KIDS), the statewide support computer system. Case information, collections, and adjustments are entered on KIDS, and KIDS determines the amount of support to be distributed to the families or to be held by the State as reimbursement for current or prior public assistance received by the families.

The federal government generally reimburses the State for 66 percent of the costs incurred in administering the Child Support Enforcement program. Non-federal funding sources must pay for 34 percent of program administration costs. Typically, DWD accounts for the federal and non-federal share of grant expenditures in separate accounts. However, in some cases DWD relies on other state agencies or local governments to provide a portion of the required non-federal matching expenditures. DWD receives federal reimbursement for amounts charged to federal accounts through the State's cash management system.

DWD contracted with the UW-Madison Institute for Research on Poverty (IRP) under the Wisconsin Works Child Support Waiver Demonstration Evaluation contract for research projects. Under the terms of the five-year contract, IRP is to provide 23 percent of the funding, DWD is to provide 11 percent of the funding, and the federal government is to provide 66 percent of the funding. However, these funding percentages vary for specific portions of the contract and for various time periods covered by the contract.

During FY 1999-2000, DWD received invoices from IRP requesting \$2,217,855, representing the federal government's and DWD's shares of total project costs. Based on the applicable funding percentages, we determined that DWD should have charged \$1,890,137 to federal accounts and \$327,718 to state accounts. However, because of an oversight, DWD made errors in its calculations that resulted in charges of \$1,907,355 to federal accounts and \$310,500 to state accounts. Therefore, DWD claimed and received \$17,218 in excess federal reimbursements.

*We recommend the Wisconsin Department of Workforce Development adjust the accounting records and return \$17,218 in excess federal reimbursements to the federal government.*

Questioned Costs: Child Support Enforcement (catalog #93.563, award #G9904WI4004): Excess Federal Reimbursements = \$4,397

Child Support Enforcement (catalog #93.563, award #G0004WI4004): Excess Federal Reimbursements = \$12,821

DWD Response and Corrective Action Plan: DWD agrees. The accounting records have been adjusted and the funds returned to the federal government.

### **Cash Management**

Effective cash management requires state agencies to request federal reimbursements so as to minimize the time between the disbursement of funds for allowable grant expenditures and the transfer of funds from the federal government to the State's bank. An agreement in accordance with the federal Cash Management Improvement Act (CMIA) was signed between the State of Wisconsin and the U.S. Treasury for the period July 1999 through June 2004, which covers cash management procedures for several major grants at DWD. DWD uses the State's cash management system administered by the State Controller's Office in the Department of Administration (DOA/SCO) for the majority of the federal funds received by DWD. However, DWD uses the federal Payment Management System (PMS) to request reimbursement for the Job Training Partnership Act (JTPA) (catalog #17.250) grant and the Trade Adjustment Assistance—Workers (catalog #17.245) grant, and administrative costs for the Unemployment Insurance (catalog #17.225) grant. As compared to grants reimbursed through the State's cash management system, DWD has an increased responsibility for compliance with cash management requirements for grants drawn through PMS. We have concerns related to the annual calculation of interest due from the federal government and reconciliation of PMS reports to DWD records.

### **Finding WI-00-15: Federal Draws and Interest Calculation**

The CMIA agreement allows for the calculation of any interest obligation owed to or by the federal government when the timing of the receipt of federal funds requested does not agree with the clearance patterns established in the CMIA agreement. While DOA/SCO coordinates the preparation of the annual report, DWD is responsible for calculating the interest for all grants for which it performs draws through PMS. We reviewed DWD's calculation of interest due for the JTPA program and noted errors that resulted in an understatement of about \$4,700 in interest due from the federal government.

The CMIA includes a formula that should be used to calculate the interest receivable or payable for each draw of JTPA funds. While DWD used this formula, staff made errors in determining specific components of the formula. One of the most critical mistakes was that DWD based its calculations on a three-day check clearance pattern, instead of the two-day pattern included in the CMIA agreement.

Clearance patterns are used to determine the timing of draws of federal funds so that, on average, the federal reimbursements are credited to the State's bank account on the

same day that the checks clear. During the first portion of FY 1999-2000, DWD had been grouping several days' worth of JTPA aids expenditures together for one draw request. As a result, federal funds were received early for some JTPA payments and late for others. In November 1999, DWD began to draw separately for each day's expenditures using a three-day check clearance pattern instead of the two-day clearance pattern included in the CMIA Agreement. As a result, state funds temporarily subsidized federal funds, resulting in lost interest earnings. While the annual interest calculation could have recouped the lost interest, staff continued to use the incorrect clearance pattern in the annual interest calculation. Neither the DWD staff responsible for performing the draws and preparing the interest calculation nor supervisory staff were aware of the clearance pattern included in the CMIA Agreement.

In addition to the use of the incorrect clearance pattern, other errors in calculating the interest receivable were made. For example:

- DWD used an incorrect annual interest rate. The DWD staff person preparing the calculations used a rate of 5.653 percent, which he obtained from another DWD staff person, instead of the rate of 5.42 percent that should have been obtained from DOA/SCO.
- DWD used incorrect reimbursement dates for 22 out of 162 federal reimbursements throughout the year.
- For one of the five JTPA payments we reviewed, DWD used an incorrect aid disbursement date.

*We recommend the Wisconsin Department of Workforce Development revise the interest calculations included in the FY 1999-2000 annual report required under the Cash Management Improvement Act. Further, we recommend detailed supervisory review of the interest calculations in future years to ensure they are consistent with the Cash Management Improvement Act agreement.*

While draw requests for JTPA expenditures were being made a day late during FY 1999-2000, the JTPA program officially ended in December 2000. The Workforce Investment Act (WIA) program (catalog #17.255) began in June 2000 and has taken the place of JTPA. DWD staff noted that payments under WIA are similar to JTPA and that it requests federal reimbursement based on a three-day clearance pattern. However, if WIA's check clearance pattern is the same as that of the JTPA program, DWD is requesting federal funds one day late, resulting in lost interest earnings to the State. Currently, there is no amendment to the CMIA Agreement that covers the WIA grant. DWD should work with DOA/SCO to determine whether the CMIA Agreement should be amended to cover WIA and, if so, to develop a clearance pattern on which to base federal reimbursement requests.

Questioned Costs: Job Training Partnership Act (catalog #17.250): Federal Draws and Interest Calculation = None

DWD Response and Corrective Action Plan: DWD agrees. The interest calculations have been revised for the FY 1999-2000 report and will be incorporated in the FY 2000-01 report. Procedures have been developed to include detailed supervisory review of the interest calculations.

### **Finding WI-00-16: Review of PMS Reports**

PMS produces various reports for each grant drawn by DWD staff, depending on the specific reporting requirements for each program. Some reports require further follow-up or certification by DWD, and others are provided for informational purposes and should be reviewed to ensure records are in agreement between the federal government and DWD.

PMS produces the PMS-272E report for the Unemployment Insurance program and the Trade Adjustment Assistance—Workers grant. This quarterly report is provided for informational purposes, and it details, among other things, federal reimbursements made during the prior quarter and grant award authority. It is important that DWD reconcile this report to its accounting records to ensure that all requested federal reimbursements were, in fact, received. However, because of a change in staff responsibilities, DWD did not reconcile the PMS-272E report to accounting records for these grants during FY 1999-2000.

*We recommend the Wisconsin Department of Workforce Development review and reconcile the Payment Management System 272E report to ensure agreement with the Department's records.*

Questioned Costs: Multiple Grants: Review of PMS Reports = None

DWD Response and Corrective Action Plan: DWD agrees. The review and reconciliation of the PMS-272E report is current, and the adjustments needed for this reconciliation have been processed.

### **Prior Audit Follow-up**

As part of our current audit, we followed up on DWD's progress in addressing Findings WI-99-6 through WI-99-22 in our prior single audit report (report 00-5). DWD has addressed our concerns related to cost allocations, cash management for the Vocational Rehabilitation program, proceeds from the sale of fixed assets, and subrecipient monitoring for the former Division of Economic Support. While DWD has also addressed our concerns related to the Child Support Enforcement Program and non-federal match for the Food Stamp and Medical Assistance programs, it still needs to return to the federal government the \$467,501 in questioned costs included in our prior audit. In addition, while DWD's method of calculating non-federal match for the Vocational Rehabilitation program is reasonable, we found an error in the calculation that led to questioned costs of \$329,107. We also note that DWD still needs to maintain documentation for non-federal match for the Head Start program and for direct payments to Vocational Rehabilitation clients, reconcile fixed-asset expenditures to the

asset management system, implement a grant-tracking system for subrecipients of the Vocational Rehabilitation program, and continue its efforts to restrict access to KIDS. Finally, DWD has yet to receive federal approval for its public assistance cost allocation plan.

### **Child Support Enforcement Program**

In our prior audit, we found that DWD did not promptly return to the federal government its share of collections for cases related to public assistance programs (Finding WI-99-6). In addition, we identified concerns with DWD's preparation of the Quarterly Report of Collections and the Quarterly Report of Expenditures and Estimates (Findings WI-99-7 and WI-99-8). While DWD has implemented corrective action in each of these areas, it has not yet returned to the federal government \$300,148 in questioned costs related to the delayed return of the federal share of collections for public assistance programs.

Finding WI-00-17: Delayed Return of Federal Share of Collections for Public Assistance Programs - Support collections related to cases that received benefits from prior or current public assistance programs, such as Aid to Families with Dependent Children and the TANF program, are not disbursed to families but are used to offset the federal and state share of assistance payments. These collections should be returned to the federal government in a timely manner. However, because of delays in preparing the quarterly Report of Collections, DWD did not return the federal share of assistance payments in a timely manner during FY 1998-99 (Finding WI-99-6).

DWD has implemented corrective action to address our prior audit concerns. Starting with the December 2000 quarter, DWD assigned responsibility for estimating and returning to the federal government on a monthly basis the federal share of collections for public assistance payments. We will test DWD's procedures during next year's single audit.

However, DWD has not yet remitted to the federal government \$300,148 in interest liabilities that we identified in our prior audit. Staff with whom we spoke told us they currently plan to return the questioned costs through a reduction in their request for federal reimbursements for program expenditures by early spring. We estimate DWD's delay has resulted in the State earning at least \$11,000 in additional interest at the expense of the federal government.

*We recommend the Wisconsin Department of Workforce Development immediately remit the interest owed because of the delayed return of the federal government's share of collections for public assistance programs.*

Questioned Costs: Child Support Enforcement (catalog #93.563, award #s G9804WI4004 and G9904WI4004): Delayed Return of Federal Share of Collections for Public Assistance Programs = \$11,000 in estimated interest accrued related to delayed payment of interest liability identified in our prior report.

DWD Response and Corrective Action Plan: DWD agrees. The transaction to remit the interest owed to the federal government will be processed as soon as the funding source is determined. Efforts are underway to determine the funding source.

Quarterly Report of Collections - The quarterly Report of Collections shows the balance of undistributed collections from the prior quarter, support collections received during the current quarter, support disbursements to families and other distributions during the current quarter, and the ending balance of undistributed collections. The Report of Collections is to be prepared each quarter based on reports from KIDS and the accounting system. In our prior audit, we reported that DWD had not implemented controls to ensure the quarterly Report of Collections was accurately prepared, properly supported, and submitted to the federal government by the due date each quarter (Finding WI-99-7).

Since the close of FY 1999-2000, DWD has taken steps to improve the accuracy of the information included on the quarterly Report of Collections. Bureau of Child Support staff indicated that the current KIDS C836 report, which was designed to generate information needed for a prior format of the Report of Collections, does not meet current reporting requirements. Therefore, staff developed written procedures to manually generate the information needed for the Report of Collections. Bureau of Child Support staff are responsible for forwarding summary information to the grant accountant in the Bureau of Finance responsible for preparing the quarterly Report of Collections. We will review and test this process during our FY 2000-01 audit.

In addition, Bureau of Child Support staff reviewed the Reports of Collections submitted during FFYs 1998-99 and 1999-2000 and identified some errors. For example, certain distributions that go directly to counties had not been reported on the correct line. However, staff noted that these errors did not affect the federal share of collections. In addition, staff reported that retroactive adjustments related to their review of the FFY 1999-2000 Reports of Collections were made on the report submitted for the September 2000 quarter, while retroactive adjustments for errors prior to that time are expected to be made on the report submitted for the March 2001 quarter. We will review the errors identified and test the retroactive adjustments during our FY 2000-01 audit.

Quarterly Report of Expenditures and Estimates - The Report of Expenditures and Estimates for the Child Support Enforcement program is prepared each quarter by staff in the Bureau of Finance, based on reports from DWD's accounting system and the Community Aids Reporting System. The Report of Expenditures and Estimates also includes the net federal share of collections as shown in the quarterly Report of Collections. In our prior audit, we found that DWD was not reporting the proper amount of the net federal share of collections on its quarterly Report of Expenditures and Estimates and was not submitting those reports in a timely manner (Finding WI-99-8).

DWD appears to have taken appropriate corrective action. We reviewed the Reports of Expenditures and Estimates for the quarters ended September 30, 1999 and June 30, 2000 and found them to be materially correct.

## **Documentation of Non-Federal Match**

Some federal grants require the State to match federal expenditures with expenditures financed from non-federal sources. During our prior audit, we reported concerns with the accounting for and reporting of state matching expenditures for the Food Stamp and Medical Assistance programs, and supporting documentation of the non-federal match for the Head Start and Vocational Rehabilitation grants (Findings WI-99-9 through WI-99-11). We continue to have concerns in these areas.

Finding WI-00-18: Accounting for and Reporting State Matching Expenditures - The match rate is 50 percent for most activities under the State Administrative Matching Grants for Food Stamp Program (catalog #10.561) and the Medical Assistance Program (catalog #93.778). To account for state matching expenditures during FY 1998-99, DWD initially charged certain administrative costs entirely to federal grant accounts. On a monthly basis, DWD's accounting system automatically transferred state matching expenditures to state accounts.

In our prior audit, we reported that \$68,767 of Food Stamp expenditures and \$98,586 of Medical Assistance expenditures should have been transferred from federal accounts to state accounts but were not. As a result, because DWD automatically received federal reimbursement through the State's cash management system for expenditures charged to federal accounts, DWD received a total of \$167,353 in excess federal reimbursements for the state matching expenditures that remained in federal accounts (Finding WI-99-9).

DWD implemented partial corrective action in this area. DWD established separate matching accounts for these federal programs and now records both the federal share and the state share of grant expenditures at the time transactions are processed.

However, as of March 22, 2001, DWD had not, as it stated it would, transferred the \$167,353 in excess federal reimbursements to state accounts. Staff indicated they did not make the transfer because, after meeting FY 1999-2000 matching requirements, additional state funding was not available. As a result, the excess federal reimbursements remain in state accounts, resulting in the State earning at least \$7,500 in interest at the expense of the federal government since the issuance of our prior report.

In addition, because of other priorities, DWD did not implement its prior audit corrective action plan by July 31, 2000; create a special computer program to analyze transactions for the Food Stamp Program, Medical Assistance Program, and all other grants subject to the automatic match process recorded between July 1, 1999 and May 31, 2000; identify any instances in which matching expenditures were not accurately transferred to state accounts; and process any necessary correcting entries.

To determine whether similar errors occurred during our current audit period, we requested DWD staff to run a special computer program to list the matching expenditures transferred from federal to state accounts for the Food Stamp and Medical Assistance programs for the period July 1, 1999 through May 31, 2000. We analyzed the results and did not identify any errors for these programs.

We recommend the Wisconsin Department of Workforce Development immediately remit \$167,353 in excess federal reimbursements identified during our prior audit and the interest earned by the State because of failure to return the funds at the time of our prior audit.

Questioned Costs: State Administrative Matching Grants for Food Stamp Program (catalog #10.561, award #s USDA 98s2514 and USDA 98s2519): Accounting for and Reporting State Matching Expenditures = \$3,100 in estimated interest related to delayed payment of questioned costs identified in our prior audit

Medical Assistance Program (catalog #93.778, award #s 059805WI 5048 and 05990WI 5048): Accounting for and Reporting State Matching Expenditures = \$4,400 in estimated interest related to delayed payment of questioned costs identified in our prior audit

DWD's Response and Corrective Action Plan: DWD agrees. The transaction to return the excess funds and related interest earned to the federal government will be processed as soon as the funding source is determined.

Finding WI-00-19: Documentation of Non-Federal Match for the Head Start Grant - DWD administers the Wisconsin Head Start Collaboration Project under the Head Start program (catalog #93.600). DWD is required to provide match from state or other non-federal sources ranging from 20 to 25 percent of program expenditures. It would be expected that DWD would summarize non-federal matching expenditures to ensure the total meets or exceeds the minimum required match. However, during our prior audit, we reported that DWD did not develop documentation to support the amount of non-federal match required for the Head Start grant (Finding WI-99-10).

We reviewed the documentation DWD staff provided us to support \$60,797 of non-federal matching expenditures reported on the FSR, which DWD submitted on June 8, 2000 for the award covering the period February 1, 1999 through January 31, 2000. That documentation consisted of the financial statements for the Wisconsin Head Start Association. However, the financial statements were for the year ended December 31, 1998, which was before the start of the award period. Therefore, the expenditures reflected on those statements were not allowable non-federal match.

After we discussed our concerns, staff obtained documentation, such as time sheets, to support other match from subrecipients and for personal services. The additional match was sufficient for the award that ended on January 31, 2000.

We again recommend the Wisconsin Department of Workforce Development routinely obtain and maintain documentation of allowable non-federal match prior to submitting financial status reports for Head Start grants.

Questioned Costs: Head Start (catalog #93.600): Documentation of Non-Federal Match = None

DWD Response and Corrective Action Plan: DWD agrees. Procedures have been developed and implemented to define the documentation. DWD will obtain copies of the agreements and contracts that indicate what expenditures will be used as match by third parties. DWD will also require third parties to submit reports of match expenditures. Certifiable expenditures will be verifiable by the third party's accounting records and source documents such as cancelled checks, paid bills, payroll records, etc. These accounting records and source documents will be available from the third parties as needed for review by DWD staff and auditors.

Finding WI-00-20: Non-Federal Match for the Vocational Rehabilitation Grant - As a condition of receiving federal funds for the Vocational Rehabilitation program, DWD must provide match from state or other non-federal sources at a rate of 21.3 percent of program expenditures. DWD reports the federal and non-federal share of expenditures and obligations on quarterly FSRs submitted to the U.S. Department of Education.

DWD subgrants a portion of the Vocational Rehabilitation grant to third parties, such as technical colleges, nonprofit entities, and other state agencies. Many of these subgrantees are required by DWD to use their own funds to meet the 21.3 percent non-federal matching requirements. It is expected that DWD would maintain systems to ensure these subgrantees meet the match requirement in order to ensure the State meets its requirement to match the federal funding provided to the State.

In our prior audit, we reported that DWD did not maintain documentation supporting the non-federal expenditures made by these third parties (Finding WI-99-11). As follow-up, we tested the final FSR for the FFY 1997-98 award, which was filed in January 2000. The grant accountant calculated and reported on the required non-federal match for these third parties based on the presumption that the federal government's 78.7 percent share of grant expenditures is recorded on DWD's accounting system, and the third parties' 21.3 percent share is documented on their requests for reimbursement. We selected eight third-party reimbursement requests for review. Either we found the third parties reported their 21.3 percent share of grant expenditures on the reimbursement request or we verified that matching requirements were met through our review of the third parties' accounting records.

Although we were able to conclude that the matching expenditures reported to the federal government were reasonable and based on an acceptable method of calculation, further testing revealed that some of the expenditures reported as match from third-party contracts may have already been used as matching expenditures for other grant years. The area of our concern is related to the grants to third parties for which DWD requires the subgrantee to fund its 21.3 percent share of costs in advance payments to the State, before any expenditure of federal funds. DWD credits the cash advances to a "cash match" account in its accounting system. As the subgrantee incurs costs under its award from DWD, it makes a reimbursement claim. DWD expends out of its federal account for 78.7 percent of the approved claim and returns the subgrantee's own money for the other 21.3 percent of the claim.

DWD reported \$418,179 in cash matching expenditures related to these third-party contracts. We had expected that the cash match account would reflect \$418,179 in subgrantees' matching expenditures. However, instead of showing \$418,179 in expenditures, the cash match account reflected a negative expenditure balance of \$51,883. We were unable to determine how this balance was developed. The likeliest explanation is that expenditures from the account were transferred to other accounts and claimed as the required non-federal match of another award year. This leaves DWD short by \$418,179 in matching expenditures for the FFY 1997-98 Vocational Rehabilitation award.

We brought our concerns to the attention of DWD staff responsible for calculating non-federal match for the Vocational Rehabilitation program. Staff are currently reviewing the cash match account to determine the reasons for the negative balance. However, at the time of our fieldwork, DWD's accounting records did not support \$418,179 of non-federal expenditures related to the FFY 1997-98 Vocational Rehabilitation grant. We note that because both federal and non-federal expenditures must meet the same allowable cost principles, DWD may transfer expenditures from federal accounts to non-federal accounts to meet matching requirements. If DWD were to transfer expenditures of \$329,107, or 78.7 percent of \$418,179, from federal to non-federal accounts, the State would meet its matching requirements. Therefore, we question \$329,107, which represents expenditures for which DWD received federal reimbursement that need to be transferred to state accounts to meet the State's matching requirements.

We recommend the Wisconsin Department of Workforce Development investigate the accounting entries that led to the negative amounts recorded in state matching accounts; correct its accounts as necessary; and, if necessary, submit a corrected FFY 1997-98 final financial status report. It may be that this effort will identify additional eligible non-federal matching expenditures to justify retention of the federal funds previously received. However, if that is not the result of the review, DWD should adjust its accounting records to properly reflect both the federal government's and the State's share of eligible grant expenditures and return \$329,107 to the federal government.

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126, award #H126A80074): Non-Federal Match = \$329,107

DWD Response and Corrective Action Plan: DWD agrees. DWD is currently investigating the cause of the negative amounts in the state match accounts. Once the cause is identified, any necessary corrections will be made to the accounts, and a corrected financial status report will be filed if material differences are noted.

### **Cost Allocations**

We followed up on our prior audit concerns related to cost allocations, including the use of incorrect ratios; the lack of a reconciliation between the amounts of salaries and fringe benefits allocated to the amounts actually paid after April 1, 1999; and the need for DWD

to consider excess cash balances when developing internal service billing rates (Findings WI-99-12 through WI-99-14). DWD has addressed our concerns in these areas.

Joint Income Maintenance Cost Allocations - Federal rules require DWD to charge expenditures directly to federal programs, if possible, or to cost pools from which costs may be allocated to federal and state programs in a fair and equitable manner. DWD uses the joint income maintenance cost allocation method to allocate costs associated with the Client Assistance and Re-employment and Economic Support (CARES) system and other public assistance administration costs to income maintenance and other programs, including TANF, Child Care, the Food Stamp Program, and DWD's portion of the Medical Assistance Program. As proposed in DWD's public assistance cost allocation plan, DWD allocates some of these costs based on the relative number of each program's cases on the CARES system, while other costs are allocated based on a prior month's expenditures.

DWD calculates the ratios of the relative number of cases on the CARES system each month to allocate computer services and other costs based on these ratios. However, in our prior audit we reported that DWD had revised the calculated ratios for July and October 1998 and January 1999, but did not use the revised ratios to allocate costs for these months (Finding WI-99-12). DWD has analyzed the costs allocated with incorrect CARES ratios and is in the process of making the necessary correcting accounting entries to reallocate costs to the correct grants.

Salary and Fringe Benefits - DWD initially charges salary and fringe benefits to a clearing account and distributes costs monthly to federal and state programs based on employee time reports and certain estimates. Before April 1, 1999, DWD reconciled the amounts distributed to the amounts actually paid and charged any variances to division overhead accounts, to be further distributed to division activities. This reconciliation is necessary to ensure that federal grants are not overcharged or undercharged for amounts actually paid. However, in our prior audit report, we noted that DWD had ceased performing these reconciliations, both because staff believed that variances no longer occurred and because DWD ceased generating the reports that facilitate the reconciliation (Finding WI-99-13).

DWD has begun to implement its corrective action plan and has reconciled salary costs allocated to federal and state programs to actual costs for the months of July 2000 through December 2000. DWD identified a few minor variances between allocated and actual costs and made the appropriate adjustments. By the close of FY 2000-01, staff intend to complete the remaining monthly reconciliations for April 1999 through June 2001. Once completed, DWD plans to perform monthly reconciliations of allocated versus actual salary and fringe benefits.

Excess Cash Balances in Cost Pools - DWD has developed billing rates to charge divisions for certain administrative costs included in 16 different cost pools. When establishing billing rates, DWD is required by federal rules to take into consideration anticipated cash balances to ensure excess cash balances are not accumulated. Generally, the federal government allows a working capital reserve of up to 60 days' cash expenditures. If cash balances exceed the 60-day working capital reserve, DWD is expected to adjust its billing rates.

During our FY 1998-99 audit, we identified four cost pools with balances that exceeded the 60-day working capital reserve by as much as \$2.0 million. These excess balances apparently developed because when developing billing rates, DWD reduced its projected cash balances for each cost pool by the amount of estimated encumbrances, resulting in billing rates that may have been too high (Finding WI-99-14).

DWD has implemented its corrective action plan and adjusted its FY 2000-01 billing rates to compensate for the excess cash balances that accumulated in some of the cost pools. Depending upon each pool's volatility, it is DWD's intention to maintain a working capital reserve equal to 0 to 15 percent of expenditures, which is less than 60 days' cash expenditures.

### **Rehabilitation Services—Vocational Rehabilitation Grants to States**

In our prior audit, we had concerns related to allowable Vocational Rehabilitation program costs for client services and cash management (Findings WI-99-15 and WI-99-16). While DWD has addressed our concerns related to cash management, we continue to have concerns related to direct payments to clients, resulting in questioned costs of \$20,720.

Finding WI-00-21: Direct Payments for Client Services - Vocational rehabilitation counselors are responsible for determining eligibility, assessing client needs, developing client rehabilitation plans, and authorizing expenditures for services provided to or on behalf of clients. Vocational Rehabilitation program expenditures should be supported by appropriate documentation.

While DWD generally makes payments for client services to third parties, DWD's policy provides that payments may be made directly to clients as reimbursements or to cover the costs of future purchases or expenses. When direct payments are made to clients, DWD policy requires the counselors to obtain receipts and other support to document that the funds were spent as intended. During our prior audit, we reviewed four direct payments and identified one payment, totaling \$1,286, that was not supported by receipts (Finding WI-99-15). DVR investigated, and the client admitted that he used the funds for items not related to vocational rehabilitation purposes. As of March 14, 2001, DVR had collected \$200 from the client for the unsupported payment. DVR is considering transferring the account to a collection agency for further follow-up.

As part of a separate program evaluation of the Vocational Rehabilitation program, the Legislative Audit Bureau tested a selection of client cases that were closed during FFY 1998-99. We identified a total of \$107,879 in direct payments to clients that were unsupported by receipts or other documentation (report 00-11) and recommended that DVR be required to consistently collect receipts for services purchased by program participants. The findings and concerns in the report were reviewed by the U.S. Department of Education's Office of Inspector General. It is our understanding that the Office will not be seeking a financial recovery of these amounts because some of the payments occurred a number of years ago, and the statute of limitations may have

expired. While the Office did not make specific recommendations to DWD, it indicated that it would rely on the single audit process to determine whether appropriate corrective actions have been taken.

During FY 1999-2000, DWD made at least 17,000 direct payments to clients, totaling over \$5 million. We continued to find exceptions to the documentation requirements for direct payments. We tested 56 direct payments, totaling \$22,540, made during FY 1999-2000 and found 35 payments, totaling \$14,930, were not supported by receipts or other documentation. We are particularly concerned because for 19 of the 35 unsupported payments, counselors made entries in the new purchasing system that indicate they had verified the payments were supported, yet we found no documentation that counselors had obtained receipts or other supporting evidence. The remaining 16 unsupported payments were either made before the new system was implemented in October 1999 or were made without a counselor's verification entry.

DWD has taken some steps to address concerns related to direct payments. On December 16, 1999, DWD sent written guidance directing supervisors to review direct payments made by counselors to ensure they have been properly supported. Additionally, in August 2000, DWD formally announced the following policies and procedures, some of which were already in place informally.

1. Staff are encouraged to send payments directly to vendors and to not make direct payments to clients.
2. When direct payments are made, counselors are to obtain receipts and to file them in the physical case files. Counselors are to document that they obtained the receipts by making entries in the electronic case files.
3. Regional managers are to review all direct payments exceeding \$1,500 to verify proof of receipts and delivery and appropriateness of purchases.
4. Each month, regional offices are to review a random sample of at least 20 cases involving direct payments to verify receipts for goods and services and delivery and appropriateness of purchases.
5. Any non compliance findings are to be addressed immediately, and appropriate corrective action taken.

These procedures have been communicated to staff and, if followed, could be expected to ensure that direct payments are documented and supported. However, while some improvements may have been made, it appears DVR continues to make direct payments that are not adequately documented. We selected 22 direct payments, totaling \$32,371, made during October and November 2000. Nine of these payments, totaling \$13,991, were not supported by receipts or other documentation. Five of these unsupported payments were "verified" by the counselor in the purchasing system without receipts or other documentation to support the verification.

We have provided DVR staff a listing of all unsupported direct payments identified during our current audit. DWD obtained receipts to support \$2,793 of FY 1999-2000

payments and \$5,408 of payments made during October and November 2000. Where practical, DWD is continuing to attempt to obtain receipts from clients. We question a total of \$20,720 of unsupported direct payments, consisting of \$12,137 during FY 1999-2000 and \$8,583 during October and November 2000.

*We recommend the Wisconsin Department of Workforce Development's Division of Vocational Rehabilitation continue its efforts to ensure that staff obtain supporting documentation for direct payments to clients. Additionally, we recommend that counselors "verify" direct payments in the purchasing system only after obtaining necessary supporting documentation.* As noted, DVR's current policy requires that receipts be obtained and retained in the case files, and that counselors electronically indicate in the computerized case management system that they have reviewed the receipts. While receipts provide the greatest assurance that the direct payments were used for their intended purpose, and should be expected in a majority of cases, obtaining these receipts may not always be feasible. For these instances, we suggest that DVR identify alternative forms of documentation that counselors should obtain to support the direct payments. Such alternatives could include, for example, visual inspection that the goods were purchased or confirmation that the client attended classes for which DVR provided funds to pay for transportation. Counselors would be expected to document their reviews either in hard copy format maintained in the physical case files or electronically in the case management system.

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126, award #s H126A90074, H126A00074, and H126A10074): Direct Payments for Client Services = \$20,720

DWD Response and Corrective Action Plan: DWD agrees. Although adequate procedures are in place, certain staff do not consistently follow these procedures. If it is determined during the management reviews that supporting documentation was not received, the staff person responsible is contacted to reiterate the importance of this documentation and is directed to obtain the required documents. Staff have been instructed that verification in the purchasing system means that supporting documentation has been received and properly filed.

Cash Management for the Vocational Rehabilitation Grant - To ensure that federal reimbursement is requested in a timely manner, DWD uses the State's cash management system administered by DOA/SCO to automatically draw federal funds for expenditures recorded under the Vocational Rehabilitation grant. However, the cash management system does not initiate drawdowns of federal funds when transactions are entered without federal reporting categories.

During our prior audit, we identified \$406,112 in FY 1998-99 Vocational Rehabilitation expenditures for which DWD did not enter reporting categories. Therefore, the State had not received federal reimbursement through the cash management system, resulting in lost interest earnings to the State (Finding WI-99-16). DWD has implemented its corrective action plan, recorded the reporting category for these expenditures, and received federal reimbursement. Additionally, DWD now requires grant accountants to review a monthly report of transactions with missing reporting categories and to make any necessary corrections.

## Property Management

DWD is largely federally funded and, accordingly, acquires most of its equipment with federal grant funds. During our FY 1998-99 audit, we had concerns with the accuracy of property inventory records (Findings WI-99-17 and WI-99-18). Additionally, DWD had not followed federal rules requiring it to contact the federal government to determine the final disposition of \$12,000 in proceeds from the sale of fixed assets originally acquired with federal funds.

Finding WI-00-22: Property Records - DWD uses the asset management system to record and manage its fixed assets. The Common Rule and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and departmental property management policies. The State's policy is to indicate in permanent property records descriptions of the assets and their locations, as well as the acquisition dates, cost, funding sources, and percentage of federal participation. In addition, agencies are to perform an annual physical inventory and reconcile the results to permanent property records. The federal and state fixed-asset threshold is currently \$5,000, although property records may be maintained for items purchased at lower amounts.

During FY 1998-99, we found that DWD was not recording the funding source for current equipment acquisitions in the asset management system and that the asset management system contained missing or inaccurate information related to an unknown number of equipment items (Finding WI-99-17). DWD has taken corrective action in this area and now enters the funding source of new acquisitions. In addition, it made reasonable efforts to enter this information for equipment purchased in prior years. For example, DWD staff obtained available purchase orders and entered the funding sources included on the purchase orders into the asset management system.

However, DWD's prior audit corrective action plan further stated that it would reconcile equipment acquisitions recorded on the asset management system to equipment expenditures recorded in DWD's accounting system, to ensure the asset management system was complete and to correct funding sources for any transfers or corrections made after the initial payment. DWD has not completed this reconciliation because of other priorities. Therefore, the funding sources in the asset management system may not be correct because, for example, expenditures may have been transferred from one legitimate funding source to another.

We scanned the funding sources recorded in the asset management system for FY 1999-2000 acquisitions for reasonableness. We found one asset valued at \$139,718 and another valued at \$584,840 that listed a clearing account as the funding source. Expenditures charged to clearing accounts are later transferred to different funding sources. Both assets had been acquired by DWD under one capital lease for which payments were made through March 2001. In FY 1999-2000, DWD transferred on its accounting system the \$275,506 in lease principal payments initially charged to the clearing account to the Unemployment Insurance program. It is intended that the Unemployment Insurance program will fund \$393,831 of the capital lease principal payments for these two assets and that the remaining payments will be funded by

DWD's administrative overhead account. DWD should determine the portion of each asset charged to the Unemployment Insurance program or the administrative overhead account and include this information in the asset management system. We further scanned the funding sources for assets acquired in prior years and identified 19 additional assets, valued at \$280,455, listing a clearing account as the funding source.

We recommend the Wisconsin Department of Workforce Development reconcile fixed-asset expenditures recorded on its accounting system to the additions to the asset management system, to ensure that funding sources are accurate.

Questioned Costs: Multiple Grants: Property Records = None

DWD Response and Corrective Action Plan: DWD agrees. In order to ensure that funding sources are accurate, procedures have been developed and implemented to reconcile the fixed-asset expenditures recorded in the accounting records to the additions to the asset management system on a semiannual basis.

Proceeds from the Sale of Fixed Assets - The Common Rule states that when equipment with a per unit fair market value in excess of \$5,000 is sold, the federal awarding agency has a right to its share of sale proceeds. During our prior audit, we noted that DWD did not assign responsibility for identifying assets sold for \$5,000 or more; for determining the extent to which the federal government participated in the original purchase of the equipment; and for contacting the federal government to determine the disposition of the federal government's share, if any, of the sales proceeds. Additionally, we found that DWD sold equipment totaling \$12,000 that was originally funded by the Unemployment Insurance program, but did not contact the federal government to determine the disposition of the sale proceeds (Finding WI-99-18).

DWD implemented its corrective action plan and effectively returned the \$12,000 to the federal government in July 2000. Additionally, DWD has implemented procedures that are intended to identify sales of equipment valued \$5,000 or more that were originally funded by a federal program and determine the proper disposition of the sale proceeds. DWD did not sell any equipment for more than \$5,000 during the audited period.

### **Subrecipient Monitoring**

DWD subgrants federal funds to various state and local governments, higher educational institutions, nonprofit organizations, and for-profit entities. Federal rules require DWD to ensure that any state or local government, higher educational institution, or nonprofit organization expending more than \$300,000 in subgranted funds during its fiscal year has met the audit requirements included in OMB Circular A-133. The subgrant agreements between DWD and the subrecipients, including certain for-profit entities, include the requirement for an annual audit conducted in accordance with Circular A-133.

According to OMB Circular A-133 and *State Single Audit Guidelines*, published by the Wisconsin Department of Administration, DWD as the subgrantor, or another state

agency as the cognizant agency, is to receive reports from subrecipients required to have audits, perform desk reviews of the reports, perform quality-control reviews of auditor work effort for 5 percent of the audits, issue timely management decisions on audit findings, and require subrecipients to take timely corrective action on deficiencies identified in the audits. The *State Single Audit Guidelines* require these tasks to be completed within 180 days of when all information required to perform audit monitoring duties has been received by the office responsible for the review. In the *State Single Audit Guidelines*, cognizant responsibilities have been assigned to certain state agencies, such as Department of Health and Family Services for counties and tribes, the Department of Public Instruction for school districts, and the Wisconsin Technical College System Board for technical colleges. If DWD provides a subgrant of federal funds to entities that have been assigned to another state agency as a cognizant agency, then DWD need only resolve any audit findings related to its federal and state programs and may review the report to ensure that its programs were included in the scope of the audit. However, if DWD provides the largest portion of subgranted federal funds to entities that have not been assigned a state agency as a cognizant, then DWD should perform the role of cognizant agency for those entities.

DWD has assigned responsibility for subrecipient monitoring to each division. During our prior audit, we had concerns related to the timeliness of resolving findings by the former Division of Economic Support and the tracking of subrecipients by DVR (Finding WI-99-19).

Division of Economic Support - The former Division of Economic Support (DES), which has recently been merged into the newly created Division of Workforce Solutions, has implemented appropriate corrective action and has resolved findings from the five audits we reported in last year's report. At the time of our current audit fieldwork, this division did not have any outstanding audits that were beyond the 180-day guideline.

In our prior audit, we also noted that Maximus, Inc., which is a for-profit entity that administers the W-2 program in the Milwaukee area, did not submit a single audit report for 1997 or 1998. The W-2 program is funded, in part, by TANF. Maximus has now submitted the required audit reports for 1997, 1998, and 1999.

However, as part of a separate review of Maximus, the Legislative Audit Bureau identified \$138,840 in unallowable costs and an additional \$276,407 in questioned costs charged to the W-2 program (letter report dated July 28, 2000). Maximus returned \$138,840 in unallowable costs to DWD in July 2000, and an additional \$83,630 for the questioned costs later found to be unallowable in December 2000. Maximus also agreed to spend \$500,000 of its own funds on programs to assist low-income families.

In a separate review of Employment Solutions, Inc., and 15 other W-2 agencies (letter report dated February 16, 2001), the Legislative Audit Bureau identified \$318,771 in unallowable costs and an additional \$175,721 in questioned costs charged to the W-2 program. Employment Solutions returned \$299,172 in unallowable costs to DWD in March 2001. DWD is currently working with these agencies to resolve the remaining questioned costs.

Finding WI-00-23: Division of Vocational Rehabilitation - DVR provides grants to about 40 entities, including technical colleges, counties, nonprofit organizations, and other state agencies. State cognizant agency responsibilities are performed by other state agencies for the technical colleges and counties. For these entities, DVR staff should maintain a list of subgrants and ensure that they are included in the scope of the single audits, and resolve any findings. DVR staff should determine whether other entities meet the threshold for the single audit requirement and, if so, perform the state agency cognizant duties for receiving, reviewing, and resolving the single audit reports.

While DVR reviews audit reports that it receives, it does not maintain a grant-tracking system, as required by *State Single Audit Guidelines*, to ensure that all of its grants are included in the scope of the single audits and, if necessary, to determine whether it needs to perform cognizant agency responsibilities. Because of staff turnover and newly hired staff's lack of awareness of our prior audit concerns, DVR has not implemented its corrective action plan to create a grant-tracking system. As a result, DVR is not assured that all of its subgrants were included in the scope of a single audit and that it received all required reports.

We again recommend the Wisconsin Department of Workforce Development's Division of Vocational Rehabilitation implement a grant-tracking system, as required by State Single Audit Guidelines.

Questioned Costs: Rehabilitation Services—Vocational Rehabilitation Grants to States (catalog #84.126): Subrecipient Monitoring = None

DWD Response and Corrective Action Plan: DWD agrees. DVR has developed and implemented a grant-tracking system as required by the *State Single Audit Guidelines*.

#### **Finding WI-00-24: Access to the KIDS Computer System**

KIDS is a tool used by state and county child support staff to collect child support payments and appropriately distribute the funds. A centralized system such as KIDS is required by the federal Office of Child Support Enforcement to help states establish paternity; locate absent parents; enforce the support obligations owed by absent parents to their children; and obtain child, spousal, and medical support.

In our prior audit, we found that DWD had granted excessive access to KIDS datasets, database tables, and user input screens (Finding WI-99-21). DWD has made efforts to reduce unnecessary access. For example:

- DWD removed access to KIDS datasets for the two Bureau of Information Technology Services employees identified in last year's report. In addition, while DWD did not eliminate access to KIDS datasets for two contracted employees, it did implement compensating controls, such as maintaining an audit trail of changes made and having changes reviewed by the KIDS management team to ensure they were appropriate. DWD has accepted the risks that these contract programmers may make unauthorized changes to KIDS programs that are not detected through these compensating controls.
- DWD has reduced from ten to four the number of contracted programmers with the ability to access KIDS database tables. To avoid delays in the development process, DWD believes it necessary that these four programmers continue to have access. DWD implemented certain compensating controls, such as logging production-related changes to KIDS database tables, documenting and reviewing changes, and sending a report detailing the changes to the KIDS management team. DWD accepts the risks associated with allowing these four programmers access to KIDS database tables.

However, while DWD has taken some steps to reduce the risk of unauthorized changes to KIDS data, additional efforts are needed to limit access to KIDS user input screens to the access that is needed for staff to perform their job duties. DWD has contacted county child support agency offices and assessed the needs of those users. In addition, DWD continues to review the needs of state staff who use KIDS. Finally, in September 2000, DWD staff submitted a computer programming request for changes to the KIDS security system that would allow DWD to further restrict access to the user input screens. However, the specifics of that request continue to be modified to ensure staff continue to have the access needed to perform their job duties. In addition, the State is in the process of changing its mainframe security software package. Therefore, the programming changes have yet to be made. As a result, DWD and county staff continue to have the ability to read and update information when that ability may not be necessary for their job duties.

*We recommend the Wisconsin Department of Workforce Development complete, as soon as possible, its efforts to review and restrict access to Kids Information Data System information to the access needed to perform job duties.*

Questioned Costs: Child Support Enforcement (catalog #93.563): Access to KIDS Information = None

DWD Response and Corrective Action Plan: DWD agrees. DWD will continue to review and restrict access to the KIDS information within the limitations of the current mainframe security software package. After the DOA Division of Information Technology Services completes the migration to a new security software package, DWD will proceed with implementing additional access restrictions to KIDS information.

**Finding WI-00-25: Public Assistance Cost Allocation Plan**

With the transfer of certain federal programs, such as the Food Stamp and Child Support Enforcement programs, to DWD on July 1, 1996, DWD became a public assistance agency. As a public assistance agency, DWD is required to obtain approval for its public assistance cost allocation plan from the U.S. Department of Health and Human Services' Division of Cost Allocation (DCA). The public assistance cost allocation plan includes narrative descriptions of procedures to be used by DWD to distribute administrative costs to various federal and state programs, including public assistance programs. In our prior audit, we reported that DWD had submitted its public assistance cost allocation plan but that it had not obtained DCA approval for its procedures to allocate costs to federal and state programs for FY 1996-97, FY 1997-98, or FY 1998-99 (Finding WI-99-22).

During our current audit, DWD informed us that it has submitted all information requested by DCA related to the proposed plans. However, DWD has yet to obtain DCA approval for its cost allocation plans.

In November 2000, DWD submitted its proposed FY 1999-2000 public assistance cost allocation plan to DCA for approval. In March 2001, DWD provided additional information, and it continues to discuss the plan with DCA. However, DWD's proposed plan has yet to be approved. We reviewed and tested DWD's cost allocations for FY 1999-2000. DWD allocated costs to federal grants in accordance with its proposed FY 1999-2000 plan.

*We recommend the Wisconsin Department of Workforce Development continue to negotiate with the federal Division of Cost Allocation to resolve any issues delaying approval of the Department's public assistance cost allocation plan for FYs 1996-97 through 1999-2000.*

Questioned Costs: Multiple Grants: Public Assistance Cost Allocation Plan = None

DWD Response and Corrective Action Plan: DWD agrees and continues discussions with DCA regarding issues preventing approval of the public assistance cost allocation plan.

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**Wisconsin Department of Workforce Development  
Summary of Findings and Questioned Costs  
FY 1999-2000**

**U.S. Department of Agriculture**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-18	10.561	State Administrative Matching Grants for Food Stamp Program	Accounting for and Reporting State Matching Expenditures*	\$ 3,100

**U.S. Department of Labor**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-15	17.250	Job Training Partnership Act	Federal Draws and Interest Calculation	\$ 0

**U.S. Department of Education**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-12	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Questioned Obligations	\$ 248,732
WI-00-13	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Reporting	Undetermined
WI-00-20	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Non-Federal Match*	329,107
WI-00-21	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Direct Payments for Client Services*	20,720
WI-00-23	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Subrecipient Monitoring*	0

**U.S. Department of Health and Human Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-9	93.558	Temporary Assistance for Needy Families	Transfers of TANF Funds to SSBG	\$ 98,964
WI-00-10	93.558	Temporary Assistance for Needy Families	Charges to Prior-Year Award Funds	200,896 Plus an Undetermined Amount
WI-00-11	93.558	Temporary Assistance for Needy Families	Federal Reporting	0
WI-00-14	93.563	Child Support Enforcement	Excess Federal Reimbursements	17,218
WI-00-17	93.563	Child Support Enforcement	Delayed Return of Federal Share of Collections for Public Assistance Programs*	11,000
WI-00-24	93.563	Child Support Enforcement	Access to KIDS Information*	0
WI-00-19	93.600	Head Start	Documentation of Non-Federal Match*	0
WI-00-18	93.778	Medical Assistance Program	Accounting for and Reporting State Matching Expenditures*	4,400

**U.S. Social Security Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-13	96.001	Social Security—Disability Insurance	Reporting	Undetermined

### Noncompliance Findings Affecting Multiple Grants

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-16	Multiple Grants	Review of PMS Reports	\$ 0
WI-00-22	Multiple Grants	Property Records*	0
WI-00-25	Multiple Grants	Public Assistance Cost Allocation Plan*	0

\* Repeat finding from audit report 00-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The University of Wisconsin (UW) System, which provides postsecondary academic education for more than 155,200 students, consists of 13 campuses, UW Colleges, UW-Extension, and UW System Administration. The 17-member Board of Regents establishes policies to govern UW System and plans for the future of public higher education in Wisconsin. Each of the 13 campuses awards bachelor's and master's degrees; UW-Madison and UW-Milwaukee also confer doctoral degrees. The UW Colleges are 13 two-year branch campuses that offer general-education associate degrees and course credits that transfer to other degree-granting universities. UW-Extension, in cooperation with the UW campuses, provides continuing education courses in classrooms and via distance education, as well as wide-ranging public service programs to Wisconsin residents. UW System Administration is the UW President's staff to assist the Board of Regents in establishing policies; reviewing policy administration; and planning the programmatic, financial, and physical development of the system.

UW System, which had operating costs that totaled almost \$2.9 billion, disbursed \$738.3 million in federal financial assistance during FY 1999-2000, including nearly \$299.8 million for the research and development cluster and \$378.8 million for the student financial aid cluster. Federal funds were received either directly from the federal government or as a subrecipient from other organizations. As required by OMB Circular A-133, we tested compliance with laws and regulations related to the federal programs, contracts, and subgrants that UW System administered during the audit period. Our compliance review for FY 1999-2000 focused on four grant programs: the research and development cluster, the student financial aid cluster at three UW campuses, the Cooperative Extension Service grant, and the National Resource Centers and Fellowships grant.

The research and development cluster, which is a major type A program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and nonprofit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is a systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The research and development grants, which were administered by 12 of the 13 UW campuses, as well as by UW Colleges and UW-Extension, accounted for 41 percent of federal funds disbursed by UW System during FY 1999-2000. Of that amount, over 95 percent was disbursed by UW-Madison. Accordingly, we documented and tested controls used in administering the research and development cluster at UW-Madison and tested compliance with grant requirements for selected research and development grants at UW-Madison.

The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those

authorized by Title IV of the Higher Education Act of 1965, as amended. It does not include programs that provide fellowships or similar awards to students on a competitive basis. The student financial aid cluster accounted for 51 percent of federal funds disbursed by UW System during FY 1999-2000. The student financial aid cluster is a low-risk type A program and, therefore, must be audited at least once every three years. The Legislative Audit Bureau audits the student financial aid cluster at the UW campuses over a three-year cycle. During the FY 1999-2000 audit, we audited the student financial aid cluster as a major program at UW-La Crosse, UW-Platteville, and UW-Stevens Point. We documented and tested controls used in administering the student financial aid programs and tested compliance with grant requirements for the student financial aid programs at these three campuses.

In addition, for our FY 1999-2000 single audit, the Cooperative Extension Service grant and the National Resource Centers and Fellowships grant were selected for review as high-risk type B programs. While UW-Madison, UW-Stevens Point, and UW-Extension received funds under the Cooperative Extension Service grant, only UW-Madison and UW-Milwaukee received funding under the National Resource Centers and Fellowships grant.

We also followed up on progress made at all UW campuses on findings included in our prior single audit report (report 00-5). There were no findings or follow-up work to be reported for UW-Eau Claire, UW-Green Bay, UW-Stout, UW-Superior, UW-Whitewater, UW Colleges, and UW System Administration; consequently, this report does not include subsections for these components of UW System.

Finally, at the request of the National Endowment for the Humanities, we included the Wisconsin Humanities Council in our FY 1999-2000 audit of UW System and audited the Promotion of the Humanities—Federal/State Partnership grant (catalog #45.129) as a major program. The Wisconsin Humanities Council is a nonprofit organization tied to UW System through its relationship with UW-Extension, which is responsible for fiscal and personnel administration of the Humanities Council. We documented and tested controls used in administering the grant and tested federal grant requirements. There were no findings to report and, therefore, this report does not include a subsection for the Humanities Council.

### **University of Wisconsin-Madison**

UW-Madison is the largest UW campus and one of the major research universities in the nation. It provides instruction to 40,000 students seeking undergraduate or graduate degrees and had operating costs totaling \$1.5 billion in FY 1999-2000. Federal grant expenditures for FY 1999-2000 totaled \$417.5 million, including \$287.7 million for the major research and development cluster and \$106.1 million for the student financial aid cluster.

We gained an understanding of and tested UW-Madison's internal control structure used in administering the research and development grants. We also tested compliance with specific grant requirements for these grants.

Overall, UW-Madison's internal control structure appears adequate to ensure compliance with federal requirements for the research and development cluster. However, while we found that UW-Madison has satisfactorily resolved FY 1998-99 concerns related to cost-share monitoring and indirect cost rate documentation, we continue to note a concern related to loan assignments within the student financial aid cluster.

### **Finding WI-00-26: Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. When defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to campus staff, such as intercepting federal tax refunds.

During our FY 1998-99 audit, we noted that in response to a previous recommendation, UW-Madison had developed criteria for assigning loans to the U.S. Department of Education and had identified 33 loans for assignment. However, since these loans had not been assigned at the time of our audit, we recommended (Finding WI-99-24) that UW-Madison continue to evaluate defaulted loans in accordance with its loan assignment policy and assign loans to the U.S. Department of Education in a timely manner.

During our current audit, we found that UW-Madison has identified an additional 30 loans for assignment to the federal government. However, UW-Madison is waiting to assign these 30 accounts, plus the 33 loans identified in our FY 1998-99 audit, until new procedures for assigning loans, which UW-Madison staff believe to be less burdensome, become effective on July 1, 2001.

To ensure effective loan management practices are used, *we recommend the University of Wisconsin-Madison continue to evaluate defaulted loans in accordance with its loan assignment policy and take timely action to assign delinquent loans to the U.S. Department of Education.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Madison Response and Corrective Action Plan: UW-Madison agrees with the recommendation. It will continue to evaluate defaulted loans in accordance with its loan assignment policy and take timely action to assign delinquent loans to the U.S. Department of Education. UW-Madison will start assigning all 63 previously identified loans, and possibly more, as of July 1, 2001.

## **Cost-Share Monitoring**

UW-Madison administers several federal grants that require the State to share in overall project costs by having non-federal sources take responsibility for a certain level of expenditures. For example, UW-Madison must finance from non-federal sources expenditures equal to at least 1 percent of federal expenditures from the National Science Foundation. If a specific cost-share requirement is identified in the grant agreement, however, that requirement overrides the general 1 percent requirement.

During our prior audit, we reviewed UW-Madison's procedures for ensuring required cost-share amounts were met. According to UW-Madison staff, cost-share requirements are generally met with employees' salaries, fringe benefits, and related indirect costs. However, cost-share requirements are occasionally met with other types of expenditures, and it is the responsibility of the deans' offices to ensure these requirements are met. We found that in these instances, UW-Madison did not have a central procedure in place to monitor the deans' offices' progress in reaching the required amounts, which may have resulted in cost-share requirements being overlooked and federal funds being questioned if the necessary non-federal expenditures were not incurred. In particular, we noted a National Science Foundation grant that required a cost-share amount of \$3.5 million over a five-year project period. With one year left, UW-Madison reported cost-share expenditures of only \$1.0 million. Therefore, we recommended (Finding WI-99-23) that UW-Madison develop and implement a systematic approach to identify and monitor all federal cost-share requirements.

During our current audit, we found that with approximately three months remaining in the grant period, UW-Madison has substantially met the \$3.5 million cost-share requirement identified during our FY 1998-99 audit. We also reviewed ten additional National Science Foundation grants and, of these, found six grants that had unique cost-share requirements beyond the 1 percent requirement. UW-Madison appears to be on schedule to meet these requirements.

## **Indirect Cost Rate**

When funding university-based research projects, the federal government provides reimbursement for two types of costs: 1) the direct costs of conducting research, such as faculty salaries and laboratory supplies; and 2) the indirect costs to support research, such as administrative and facility operations and maintenance costs. In FY 1995-96, UW-Madison negotiated a general indirect cost rate of 44 percent with the U.S. Department of Health and Human Services (DHHS) for FY 1996-97 through FY 1999-2000. We are required by OMB Circular A-133 to review the development of the indirect cost rate as part of the single audit. During a prior audit, we recommended (Finding WI-97-11) that UW-Madison take steps to better document the calculation and negotiation process for its indirect cost rate.

Although the indirect cost rate calculation is complex, a university can establish a fair and defensible rate if it documents and accurately categorizes all costs, uses reasonable methods of allocating indirect costs, and ensures that only allowable costs are included in the rate. OMB Circular A-21 states that accounting practices must support the

accumulation of costs and must provide adequate documentation to support costs charged to sponsored agreements. In addition, the DHHS *Review Guide for Long-Form University Indirect Cost Proposals*, which is a guide for educational institutions preparing the indirect cost rate proposal, states that negotiation workpaper files should contain sufficient documentation to clearly show items such as adjustments that were made to the proposal, the reasons for those adjustments, and how the approved rates were computed and negotiated.

As part of our prior review of the indirect cost rate calculation, we found UW-Madison did not maintain sufficient documentation of the overall process. For example, we found the appropriateness of costs included in various cost pools could not be readily evaluated because of a lack of supporting documentation. In addition, UW-Madison was unable to explain or provide supporting documentation for some expenditure transfers between cost pools. We did not believe the areas in which supporting documentation was lacking would materially affect the negotiated rate and, therefore, did not identify any questioned costs. However, we noted that without sufficient documentation, staff responsible for completing future indirect cost rate proposals may have a difficult time understanding or reproducing this complex process.

During our current audit, we found that UW-Madison submitted its indirect cost rate proposal to DHHS and negotiated a new rate of 45.5 percent for FY 2000-01 through FY 2003-04. We reviewed this indirect cost rate proposal and its supporting documentation and found that UW-Madison has implemented our recommendation by maintaining sufficient documentation of the overall process. Staff were able to explain how the indirect cost calculation process worked and why certain decisions, such as those affecting allocations and adjustments, were made.

### **University of Wisconsin-Milwaukee**

UW-Milwaukee, which provides instruction to 23,000 students seeking undergraduate or graduate degrees, had operating costs totaling \$291.3 million in FY 1999-2000. Federal grant expenditures for that period totaled \$75.0 million, including \$8.4 million for the major research and development cluster and \$61.2 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Milwaukee to address concerns included in our FY 1998-99 single audit report. We continue to note a concern related to loan assignments.

#### **Finding WI-00-27: Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when

collection efforts available to them have been exhausted and more powerful collection efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to UW-Milwaukee staff, such as intercepting federal tax refunds.

During our prior audit, we identified 321 loans, totaling approximately \$663,338 in principal and interest, that have been in default for more than ten years without any collections being received. UW-Milwaukee had not assigned any delinquent loans since at least 1992. We recommended (Finding WI-99-25) that UW-Milwaukee develop criteria for assigning loans and, in accordance with those criteria, assign delinquent loans in a timely manner.

During our FY 1999-2000 audit, we found that UW-Milwaukee has developed assignment criteria. According to its policy, UW-Milwaukee will review and assign delinquent loans to the U.S. Department of Education after ten years without a loan payment, deferment, postponement, or cancellation. UW-Milwaukee staff reviewed the 321 loans identified during our prior audit and determined that 132 loans should be assigned. To date, UW-Milwaukee has forwarded 15 of those loans to the U.S. Department of Education. However, of those 15 loans, 14 were returned because of incomplete, incorrect, or missing information.

To ensure effective loan management practices are used, *we recommend the University of Wisconsin-Milwaukee continue to work with the U.S. Department of Education to provide the necessary information and assign the 132 delinquent loans it has identified.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Milwaukee Response and Corrective Action Plan: UW-Milwaukee concurs with the recommendation. UW-Milwaukee will provide the U.S. Department of Education with the required information on the 14 returned accounts and will refer the remaining accounts for assignment.

### **University of Wisconsin-La Crosse**

UW-La Crosse, which provides instruction to 9,300 students seeking undergraduate or graduate degrees, had operating costs totaling \$100.7 million in FY 1999-2000. Federal grant expenditures for that period totaled \$26.5 million, including \$1.4 million for the major research and development cluster and \$23.8 million for the major student financial aid cluster.

We documented and tested UW-La Crosse's internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW-La Crosse's internal control structure appears sufficient to ensure compliance with grant requirements for the student financial aid cluster. However, we did identify concerns related to UW-La Crosse's in-house collection efforts, collection agencies, post-deferment grace periods, loan disclosures, and record retention.

### **Finding WI-00-28: In-House Collection Efforts**

Federal regulations for the Perkins Loan Program require institutions to send overdue notices when a loan is 15, 45, and 60 days past due and to attempt to contact the borrower by telephone at 90 days past due. If a borrower does not satisfactorily respond to the overdue notices or telephone contact, federal regulations require the institution to either use its own personnel or engage a collection agency for more aggressive collection efforts, such as litigation. UW-La Crosse's policy is to initially use in-house personnel to perform collection procedures after a loan has been in default for four months, which is approximately 30 days after telephone contact has been attempted.

We reviewed ten loans in default as of June 30, 2000, and found three that had been in default for at least six months with no in-house collection efforts being initiated. Of these three loans, two had been in default for over one year. In all three instances, the defaulted loans were identified and collection procedures were initiated upon our audit inquiry. These defaulted loans were previously undetected because of variances between the records of UW-La Crosse and its loan servicer.

To ensure compliance with federal due-diligence requirements, *we recommend the University of Wisconsin-La Crosse immediately review all loans that have been in default for more than four months without satisfactory borrower responses to ensure either in-house procedures or collection agencies are being utilized. We further recommend the University of Wisconsin-La Crosse develop and implement procedures for the systematic and timely identification of such loans in the future.*

Questioned Costs: Perkins Loan Program (catalog #84.038): In-House Collection Efforts = None

UW-La Crosse Response and Corrective Action Plan: At this time, UW-La Crosse staff are in the process of reviewing all loans that have been in default for more than four months. The UW-La Crosse Administrator for the Perkins Loan Department Operations has been assigned the task of developing and implementing procedures for the systematic and timely identification of such loans. To ensure compliance requirements are met, the UW-La Crosse Internal Auditor will review those procedures.

### **Finding WI-00-29: Collection Agencies**

Federal regulations for the Perkins Loan Program require collection agencies to return loans to institutions if they do not succeed in converting them to repayment status after 12 months of collection activity. Upon the return of a loan, the institution is required to attempt to collect the loan or to place the loan with a different collection agency for an additional 12-month period. This federal requirement is intended to ensure institutions do not leave defaulted loans at collection agencies for excessive periods of time without any action being taken.

While reviewing ten loans in default as of June 30, 2000, we identified five that had been referred to a collection agency. Of these five, we found that two had exceeded the

12-month limitation: one had been at the same collection agency for 19 months, and the other for 30 months. In both cases, the collection agencies had been unsuccessful in making any collections. Furthermore, the loan that was at the same collection agency for 30 months remained at that agency for 17 months after UW System's contract with it expired.

To ensure federal due-diligence requirements are met, we recommend the University of Wisconsin-La Crosse immediately identify and request the return of all loans that have been assigned to a collection agency for more than 12 months, if collection efforts have been unsuccessful. We further recommend the University of Wisconsin-La Crosse implement procedures to ensure defaulted loans assigned to collection agencies are returned to the institution in a timely manner in the future.

Questioned Costs: Perkins Loan Program (catalog #84.038): Collection Agencies = None

UW-La Crosse Response and Corrective Action Plan: The UW-La Crosse Administrator of the Perkins Loan Department Operations has been assigned the task of developing and implementing procedures for the systematic and timely identification of such loans at the collection agencies. To ensure compliance requirements are met, the UW-La Crosse Internal Auditor will review those procedures.

### **Finding WI-00-30: Post-Deferment Grace Periods**

Under the Perkins Loan Program, a borrower is entitled to have the repayment of a loan deferred under certain circumstances, such as when particular financial hardship can be demonstrated or when the borrower is enrolled at least half-time in an eligible school. During the deferment period, the borrower is not required to make payments on the loan principal. After the deferment period, the borrower enters a six-month grace period, during which time federal regulations require institutions to contact the borrower two times to remind him or her of the responsibility to comply with the loan terms and to send the borrower information, including the total loan amount outstanding, and the date and amount of the next required payment.

During our FY 1999-2000 audit, we reviewed 20 Perkins loans and found 2 borrowers whose deferments ended but who were not contacted during the post-deferment grace period. UW-La Crosse has contracted with University Accounting Service, Inc. (UAS) to perform its Perkins Loan Program billings and other activities, such as making grace period contacts. A representative from UAS indicated that post-deferment grace period letters were only sent to borrowers that received student deferments. UAS staff stated that borrowers who received other types of deferments were not sent grace-period notices because of problems with its computer system. UW-La Crosse staff were unaware of these problems.

Therefore, we recommend the University of Wisconsin-La Crosse monitor and work with University Accounting Services to ensure that the proper borrower contacts are made during the post-deferment grace period.

Questioned Costs: Perkins Loan Program (catalog #84.038): Post-Deferment Grace Periods = None

UW-La Crosse Response and Corrective Action Plan: UW-La Crosse is working with the UW System Office of Procurement to ensure that the federal regulations are being met and that the UW System contract with UAS is monitored.

### **Finding WI-00-31: Loan Disclosures**

According to federal regulations, before an institution makes its first loan disbursement to a student, the institution must provide the student with written information concerning the stated interest rate on the loan, an explanation of when repayment of the loan will begin, a definition of default and the consequences to the borrower, and loan consolidation and other financing options.

We reviewed the pre-disbursement disclosures provided to UW-La Crosse students and found that loan consolidation or other refinancing options were not disclosed. UW-La Crosse staff stated they were unaware that these disclosures were required and expressed concern that students who exercised consolidation and refinancing options that were disclosed to them could become ineligible for loan cancellations. We note, however, that federal regulations do not prohibit additional disclosures, such as the potential consequences of loan consolidation.

Therefore, *we recommend the University of Wisconsin-La Crosse disclose, in writing, loan consolidation and financing options to students prior to disbursing Perkins loan awards.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Disclosures = None

UW-La Crosse Response and Corrective Action Plan: The UW-La Crosse Administrator of the Perkins Loan Department Operations has been assigned the task of developing and implementing procedures for the disclosure, in writing, of loan consolidation and financing options to students prior to disbursing Perkins loan awards. To ensure compliance requirements are being met, the UW-La Crosse Internal Auditor will review those procedures.

### **Finding WI-00-32: Missing Documentation**

As part of the student financial aid awards, eligible students may earn Federal Work-Study (FWS) funds by working for qualified organizations, such as the university; a federal, state, or local government agency; or a private nonprofit organization. Federal regulations require that work performed by FWS students be supported by time sheets documenting actual hours worked. Regulations further require that an institution keep records relating to its administration of the FWS program for three years subsequent to the year the aid was disbursed.

We reviewed six FWS awards during FY 1999-2000. UW-La Crosse was unable to provide time sheets for two of the six students. The supervisor for one of these students, who also employed nine other FWS students, indicated that all student time sheets were destroyed at the end of the 1999-2000 academic year, when the program the students were working on was discontinued. The two students identified in our testing and the nine others employed by the discontinued program received compensation of \$6,034 under the FWS program in FY 1999-2000. We question this entire amount because UW-La Crosse is unable to provide the required supporting documentation. UW-La Crosse staff noted that although FWS supervisors are responsible for retaining student time sheets, record-retention standards are not documented in the information packets given to FWS supervisors, nor are they discussed during training sessions for new FWS supervisors.

Therefore, *we recommend the University of Wisconsin-La Crosse ensure all Federal Work-Study Program supervisors are informed of the federal record-retention standards.*

Questioned Costs: Federal Work-Study Program (catalog #84.033): Missing Documentation = \$6,034

UW-La Crosse Response and Corrective Action Plan: The UW-La Crosse Student Payroll Supervisor has been assigned the task of developing and implementing procedures for the continuous communication of the federal record-retention standards to student supervisors. To ensure compliance requirements are met, the UW-La Crosse Internal Auditor will review those procedures and periodically perform random sample audits of student time sheets maintained by the departments.

### **University of Wisconsin-Oshkosh**

UW-Oshkosh, which provides instruction to 10,800 students seeking undergraduate or graduate degrees, had operating costs totaling \$107.8 million in FY 1999-2000. Federal grant expenditures for that period totaled \$26.6 million, including \$250,000 for the major research and development cluster and \$22.4 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Oshkosh to address concerns included in our FY 1998-99 single audit report. Although UW-Oshkosh has satisfactorily addressed a concern regarding refunds and overpayments, we continue to note concerns with physical inventory and federal reporting procedures.

### **Finding WI-00-33: Physical Inventory**

OMB Circular A-110 prescribes standards for property purchased with federal funds or furnished by the federal government. For example, federal rules require UW-Oshkosh to maintain property records that include a description, acquisition date, cost, location, and funding source for each piece of equipment. Federal rules also require UW-Oshkosh to

perform a physical inventory at least once every two years and to reconcile the results to its property records.

During our FY 1998-99 audit, we noted (Finding WI-99-27) that UW-Oshkosh had not taken a complete physical inventory since 1994. In our current audit, we found that UW-Oshkosh has initiated a physical inventory by sending inventory listings to all departments and asking them to verify their equipment. However, to date, UW-Oshkosh has not received responses from four departments and has not reconciled the physical inventory results with the campus inventory system.

*Therefore, we recommend the University of Wisconsin-Oshkosh comply with federal requirements by completing the current physical inventory and a physical inventory at least every two years thereafter.*

Questioned Costs: Multiple Grants: Physical Inventory = None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh agrees with the recommendation. A full physical inventory of all campus equipment valued at \$5,000 and above will be completed by June 30, 2001, and subsequently will be completed every two years.

#### **Finding WI-00-34: Federal Reporting**

Beginning with the FY 1995-96 single audit, we recommended (Finding WI-99-28) that for Fiscal Operation Report and Application to Participate (FISAP) reporting purposes, UW-Oshkosh allocate segregated fees and special course fees that are not specifically identifiable as graduate or undergraduate fees based on the ratio of graduate and undergraduate students for the year in which the allocation is made. Fees that can be identified with a specific student group should be directly assigned to that group. Further, for the FY 1998-99 FISAP, we recommended UW-Oshkosh submit a revised report with appropriate graduate and undergraduate fee amounts.

During our current audit, we found that UW-Oshkosh submitted a corrected FY 1998-99 FISAP. However, we noted that the FY 1999-2000 FISAP amounts for graduate and undergraduate fees were again not prepared or reported appropriately. For example, we determined which fees could be specifically identifiable as graduate and undergraduate fees and estimate that graduate fees were understated by nearly \$3.6 million in the FY 1999-2000 FISAP. Due to staff turnover, a lack of written procedures for calculating graduate and undergraduate fee amounts, and a lack of supporting documentation for the FISAPs, UW-Oshkosh was unable to provide documentation to support its determination of graduate and undergraduate fee amounts.

Therefore, we recommend the University of Wisconsin-Oshkosh:

- develop and implement written procedures to directly assign student fees that are specifically identifiable as graduate and undergraduate, and allocate those fees that are not identifiable based on the ratio of graduate and undergraduate students for the year;
- submit a corrected FY 1999-2000 Fiscal Operation Report and Application to Participate to properly report its graduate and undergraduate fees; and
- maintain supporting documentation for federal reports for a minimum of three years.

Questioned Costs: Various Student Financial Aid Programs: Federal Reporting = None

UW-Oshkosh Response and Corrective Action Plan: UW-Oshkosh's goal is to calculate student fee distribution in accordance with FISAP instructions. Written procedures will be developed and implemented for use in FISAP reporting to ensure that new staff have guidelines to follow when calculating the student fee distribution between undergraduate and graduate categories.

## **Refunds and Overpayments**

Refunds of student payments toward institutional costs, such as tuition, fees, and on-campus housing, are due to students who withdraw during the semester. Overpayments, on the other hand, are due from students who received financial aid to pay non-institutional costs, such as off-campus housing and other living expenses, but withdrew during the semester and, therefore, were not entitled to all the funds received for such costs. When a student withdraws, UW-Oshkosh must calculate, in accordance with federal regulations, the refund and overpayment amounts and determine the portion of these amounts, if any, to be paid back to the financial aid programs.

During our FY 1998-99 audit, we noted a concern with UW-Oshkosh's calculation of overpayments. Of five cases reviewed, we identified one in which an overpayment of \$2,090 should have been recovered from the student, but UW-Oshkosh calculated that no overpayment was due. In addition, UW-Oshkosh staff were unable to explain the source or justification for various figures used within the overpayment calculation. We recommended (Finding WI-99-26) that UW-Oshkosh obtain an understanding of its refund and overpayment calculation system and verify that accurate data are entered in the system.

During the FY 1999-2000 audit, we found that UW-Oshkosh has developed and implemented procedures to properly calculate and distribute refunds and overpayments and to ensure accurate data are used within the overpayment calculation system. We

tested overpayments for five students who received financial aid and withdrew during the semester; all were appropriately calculated.

### University of Wisconsin-Parkside

UW-Parkside, which provides instruction to 5,000 students seeking undergraduate or graduate degrees, had operating costs totaling \$48.7 million in FY 1999-2000. Federal grant expenditures for that period totaled \$10.1 million, including \$236,000 for the major research and development cluster and \$9.0 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-Parkside to address concerns included in our FY 1998-99 single audit report. Although UW-Parkside has satisfactorily addressed concerns regarding student eligibility and awards, Federal Work-Study awards, collection agency accounts, and overdrawn federal funds, we continue to note concerns with federal reporting, loan assignments, and refunds and overpayments.

#### **Finding WI-00-35: Federal Reporting**

After each academic year, UW-Parkside is required to complete the FISAP. The FISAP reports financial activity for the Perkins Loan, Federal Supplemental Educational Opportunity Grant (SEOG), and FWS financial aid programs. The report is also used as a basis for determining future financial aid awards from the U.S. Department of Education. Therefore, it is critical that the information in the report be both accurate and properly supported. *The Student Financial Aid Handbook* developed by the U.S. Department of Education states that institutions must maintain any records necessary to support the data contained in the FISAP for three years after the end of the award year in which the FISAP is submitted.

During our FY 1998-99 audit, UW-Parkside staff could not provide supporting documentation for the portion of the FISAP that provides the number of program recipients and amount of expenditures for SEOG and FWS funds. Because UW-Parkside staff were unfamiliar with FISAP compilation procedures and could not regenerate the necessary information, we were unable to verify that the SEOG and FWS amounts were accurate. We recommended (Finding WI-99-34) that UW-Parkside maintain all records necessary to support FISAP data for three years and develop written procedures to standardize report preparation procedures. UW-Parkside agreed with this recommendation.

During our current audit, we found that UW-Parkside staff again could not provide supporting documentation for the portion of the FISAP that provides the number of program recipients and amount of expenditures for SEOG and FWS funds. Therefore, *we again recommend the University of Wisconsin-Parkside maintain all records necessary to support the data contained in the Fiscal Operations Report and Application to Participate for three years after the end of the award year in which the report is submitted. We further recommend the University of Wisconsin-Parkside develop written procedures to standardize report preparation and help prepare future reports.*

Questioned Costs: Various Student Financial Aid Programs: Federal Reporting = None

UW-Parkside Response and Corrective Action Plan: The UW-Parkside Office of Scholarships and Financial Aid agrees with the audit finding. A new director of scholarships and financial aid began on March 1, 2001. As part of the new director's responsibilities, he has begun to establish procedures relating to funds management for the purpose of ensuring accurately reported data can be substantiated and reconciled with supporting documentation. Once the procedures have been fully implemented, it is expected that FISAP-related reporting problems will be eliminated.

### **Finding WI-00-36: Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and when additional collection efforts are necessary. For example, when defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to UW-Parkside staff, such as intercepting federal tax refunds.

During our prior audit, we identified 81 UW-Parkside loans, totaling \$164,186 in principal and interest, that had been in default for more than five years without any collections being received. Of these delinquent loans, nine loans with approximately \$21,211 in principal and interest had been in default for over ten years. We recommended (Finding WI-99-32) that UW-Parkside develop criteria for the assignment of loans and, in accordance with these criteria, take timely action to assign delinquent loans to the U.S. Department of Education.

During our FY 1999-2000 audit, we found that UW-Parkside has not developed assignment criteria. UW-Parkside currently has 88 loans, totaling \$219,961 in principal, interest, and penalties, that have been in default for more than five years without any collections being received. Of these, 18 delinquent loans totaling \$51,587 have been in default for over ten years.

To ensure effective loan management practices are used, *we recommend the University of Wisconsin-Parkside develop criteria for the assignment of loans, periodically evaluate its delinquent loans in accordance with these criteria, and assign delinquent loans to the U.S. Department of Education in a timely manner.*

Questioned Costs: Perkins Loan Program (catalog #84.038): Loan Assignments = None

UW-Parkside Response and Corrective Action Plan: UW-Parkside has developed criteria for the assignment of loans to the U.S. Department of Education.

### **Finding WI-00-37: Refunds and Overpayments**

Refunds of student payments toward institutional costs, such as tuition, fees, and on-campus housing, are due to students who withdraw during the semester. Overpayments, on the other hand, are due from students who received financial aid to pay non-institutional costs, such as off-campus housing and other living expenses, but withdrew during the semester and, therefore, were not entitled to all the funds received for such costs. When a student withdraws, UW-Parkside must calculate, in accordance with federal regulations, the refund and overpayment amounts and determine the portion of these amounts, if any, to be paid back to the financial aid programs. Federal regulations require that a refund or overpayment be returned to the appropriate financial aid account within 30 days of the date the student officially withdraws or is expelled.

During our FY 1998-99 testing of nine overpayments, we identified one overpayment for \$1,500 that was returned to the Pell Grant Program account 56 days after the student withdrew from UW-Parkside. UW-Parkside staff indicated that the current procedures to calculate and credit financial aid accounts for refunds and overpayments involve several different offices within the university. A delay in one office could result in the 30-day requirement being exceeded. We recommended (Finding WI-99-36) that UW-Parkside ensure refunds and overpayments are credited to the appropriate federal financial aid accounts within 30 days.

During our current audit, our review of several refunds and overpayments found only one that involved student financial aid. However, that one overpayment of \$223 was returned to the Pell Grant Program account 64 days after the student withdrew from UW-Parkside. Therefore, we continue to recommend the University of Wisconsin-Parkside develop policies and procedures to ensure refunds and overpayments are credited to the applicable federal financial aid accounts within the required time period.

Questioned Costs: Various Student Financial Aid Programs: Late Refund = Undetermined

UW-Parkside Response and Corrective Action Plan: The UW-Parkside Office of Scholarships and Financial Aid agrees with the audit finding. In response, procedures have been established in cooperation with the Registrar's and Cashier's offices to ensure that timely Title IV refund calculations occur and federal aid dollars are returned to the appropriate financial aid account in accordance with the time frame established by federal regulations.

## **Student Eligibility and Awards**

Federal regulations require that UW-Parkside review students' academic progress at the end of each academic term and determine if each student has an academic standing consistent with the campus graduation requirements. According to UW-Parkside's satisfactory academic progress policy for student financial aid eligibility, a student must have earned a cumulative 2.0 grade point average (GPA) after completing two semesters and must maintain a 2.0 GPA in subsequent semesters. If a student fails to earn the minimum GPA, he or she may still receive financial aid if granted an appeal because of an injury or illness of the student, death of a family member, or other special circumstances.

As part of our FY 1998-99 audit, we reviewed 20 student financial aid awards and identified two students who had not met UW-Parkside's satisfactory academic progress policy but received federal financial aid totaling \$3,950. We then expanded our review and requested a report of all student expulsions during the audit period. We reviewed records for 60 students from this report and identified 17 additional students who failed to meet the satisfactory academic progress policy but received federal financial aid totaling \$47,174.

UW-Parkside staff noted that the computer system control, which identified students who failed to meet the satisfactory academic progress requirement and rejected payments to such students, was automatically overridden before the spring 2000 session. We recommended (Finding WI-99-29) that UW-Parkside review FY 1998-99 and FY 1999-2000 financial aid awards to identify all ineligible students who failed to meet the satisfactory academic progress policy.

During FY 1999-2000, UW-Parkside staff conducted this review and identified 36 students who did not demonstrate satisfactory academic progress but received financial aid totaling \$97,800. UW-Parkside staff indicate they are currently working with the U.S. Department of Education to reimburse the federal financial aid programs for awards disbursed to ineligible students. In addition, UW-Parkside has re-established the system control to identify students who fail to meet the satisfactory academic progress policy and has implemented procedures that require an appeal be granted by the Student Financial Aid Office before financial aid is distributed to these students. We tested 20 student suspensions in FY 2000-01 and found all students appropriately had their financial aid suspended or were granted appeals.

## **Federal Work-Study Awards**

As part of student financial aid awards, eligible students may earn FWS funds by working for qualified organizations, such as the university; a federal, state, or local government agency; or a private nonprofit organization. Federal regulations require the work performed by FWS students to be supported by time records documenting actual hours worked and require students to be paid an hourly rate that is at or above minimum wage. Federal regulations also require the university to spend 5 percent of its allocated FWS funds for community service jobs.

During our FY 1998-99 audit, we identified two areas of noncompliance with FWS regulations. First, of the five FWS awards we reviewed, we found one student was paid on a salary basis instead of an hourly basis, and time records were not maintained to support actual hours worked. This student received FWS compensation of \$1,758 in FY 1998-99 while employed by UW-Parkside.

Second, to comply with the 5 percent requirement, UW-Parkside needed to incur community service job expenditures of \$6,160 in FY 1998-99. However, we found UW-Parkside had incurred only \$4,920 in community service job expenditures, or 4.0 percent of its allocated funds, and fell short of meeting this FWS requirement by \$1,240.

We recommended (Findings WI-99-30 and WI-99-31) that UW-Parkside ensure all students under the FWS program be paid on an hourly basis, maintain documentation of actual hours worked, and develop procedures to ensure at least 5 percent of its FWS funds are spent on community service jobs.

During our FY 1999-2000 audit, we found that UW-Parkside has developed adequate policies and procedures to implement our recommendations. Of the five FWS student awards we reviewed, we found that all students were paid on an hourly basis and had time records to support the actual hours worked, as required by federal regulations. We also found that UW-Parkside's community service job expenditures exceeded the 5 percent requirement for FY 1999-2000.

### **Collection Agencies**

Federal regulations for the Perkins Loan Program require collection agencies to return loans to the institution if they do not succeed in converting loans to repayment status within 12 months. Upon the return of a loan, the institution is required to attempt to collect the loan in-house or to place the loan with a different collection agency for an additional 12-month period. This federal requirement was intended to ensure institutions did not leave defaulted loans at collection agencies for excessive periods of time without any action being taken.

In reviewing ten UW-Parkside loans in default during our FY 1998-99 audit, we identified nine loans that had been with the same collection agency for more than 12 months without being brought into repayment status. Of these nine loans, one had been with the same collection agency for six years, while another had been with the same agency for three years. To ensure federal due-diligence requirements are met, we recommended (Finding WI-99-33) that UW-Parkside develop and implement procedures to ensure defaulted loans are not held at a collection agency for more than 12 months without collection activity.

During our FY 1999-2000 audit, we found that UW-Parkside has implemented our recommendation. We found that the nine loans identified during our prior audit were returned to UW-Parkside. We also reviewed 12 additional loans that were at collection agencies and found that if no collection activity had occurred, the loans were returned to UW-Parkside within 12 months.

## **Overdraw of Federal Awards**

Each year, UW-Parkside receives an award letter from the U.S. Department of Education stating the amount of federal funds available for the Perkins Loan, SEOG, and FWS programs. Good grant management practices require grant recipients to monitor the amount drawn for each fiscal year to ensure the award amounts are not exceeded.

During our prior audit, we determined that UW-Parkside had overdrawn its SEOG award amount for FY 1998-99 by \$7,050. UW-Parkside staff indicated it was their belief that the accounting system did not allow the awarded amount to be exceeded. However, they also stated there were no formal procedures for comparing the accounting system amounts to the awarded amounts. Therefore, we recommended (Finding WI-99-35) that UW-Parkside develop and implement procedures to ensure federal award amounts are not exceeded.

During our current audit, we found UW-Parkside drew the appropriate SEOG award amount for FY 1999-2000 and has implemented procedures to ensure federal award amounts are not exceeded.

## **University of Wisconsin-Platteville**

UW-Platteville, which provides instruction to 5,300 students seeking undergraduate or graduate degrees, had operating costs totaling \$65.5 million in FY 1999-2000. Federal grant expenditures for that period totaled \$14.2 million. Although UW-Platteville does not administer any research and development grants, its major student financial aid cluster expenditures totaled \$13.9 million in FY 1999-2000.

We documented and tested UW-Platteville's internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW-Platteville's internal control structure appears sufficient to ensure compliance with grant requirements for the student financial aid cluster. Furthermore, UW-Platteville has adequately implemented our prior audit recommendation regarding property management. However, we have identified concerns related to refunds and overpayments and to Pell Grant Program reconciliation.

### **Finding WI-00-38: Refunds and Overpayments**

Refunds of student payments toward institutional costs, such as tuition, fees, and on-campus housing, are due to students who withdraw during the semester. Overpayments, on the other hand, are due from students who received financial aid to pay non-institutional costs, such as off-campus housing and other living expenses, but withdrew during the semester and, therefore, were not entitled to all the funds received for such costs. When a student withdraws, UW-Platteville must calculate, in accordance with federal regulations, the refund and overpayment amounts and determine the portion of these amounts, if any, to be paid back to the financial aid programs. During our

FY 1999-2000 audit, we noted a concern with UW-Platteville's calculation of overpayments.

We tested overpayments for five students who withdrew during the semester and received financial aid. We calculated that an overpayment of \$903 had been made to one student. However, UW-Platteville had calculated that no overpayment had been made.

UW-Platteville financial aid staff calculate refunds and overpayments using a manual calculation and worksheet. According to UW-Platteville staff, any of the four staff members within the Financial Aid Office is allowed to calculate student overpayments, with no review or approval required from another staff member. In the case we identified, UW-Platteville staff included an incorrect amount on the worksheet by subtracting institutional charges for the whole year instead of for one semester, and the error was not detected.

Therefore, we recommend the University of Wisconsin-Platteville develop a review procedure to ensure refunds and overpayments are appropriately identified, calculated, and credited to the applicable federal financial aid account.

Questioned Costs: Various Student Financial Aid Programs: Refunds and Overpayments = \$903, Plus an Undetermined Amount

UW-Platteville Response and Corrective Action Plan: As students withdraw from UW-Platteville, any one of four professional staff perform the repayment calculation. The overpayment in question was a human error made when completing the form manually. UW-Platteville believes it is in compliance with requirements for identifying students who must have an overpayment calculated. UW-Platteville agrees that as overpayment calculations are done, they should be reviewed by another staff member to ensure that the correct numbers are used. It has instituted a procedure under which another staff member reviews a completed calculation for accuracy.

### **Finding WI-00-39: Pell Grant Reconciliation**

For the Pell Grant Program, UW-Platteville calculates individual award amounts, disburses the necessary Pell Grant funds to the students, and reports these disbursements to the U.S. Department of Education for reimbursement. To ensure all disbursements are accurately reflected on both the campus and federal government records, UW-Platteville completes an annual reconciliation between its Pell disbursement records and the U.S. Department of Education Student Payment Summary report. UW-Platteville must then submit its final Pell Grant summary report and student financial aid report to the Department of Education by September 30 following the end of the academic year.

For FY 1999-2000, UW-Platteville reconciled its Pell Grant records to the U.S. Department of Education records and identified three variances totaling \$1,624. First, campus staff noted that they reported a Pell Grant award of \$188 for one student but actually drew down and disbursed \$888 to that student. Second, UW-Platteville staff

identified and calculated an overpayment of \$237 for a student who withdrew from school. Campus staff were uncertain why this overpayment was not returned to the Pell Grant Program. Third, UW-Platteville staff noted that \$687 was drawn down but not disbursed to students in FY 1999-2000. This amount was transferred to the FY 2000-01 Pell Grant account for disbursement.

Therefore, we recommend the University of Wisconsin-Platteville work with the federal government to determine the resolution procedures for the three identified Pell Grant reconciliation variances and take timely steps to resolve such variances.

Questioned Costs: Pell Grant Program (catalog #84.063): Pell Grant Reconciliation = Undetermined

UW-Platteville Response and Corrective Action Plan: UW-Platteville will work with the federal government to determine resolution procedures for the identified variances. The first component of the variance was a case in which a student was eligible for \$888 in Pell Grant funds. UW-Platteville reported this amount to the Pell program, and the award was reduced to \$188. UW-Platteville attempted to correct this on numerous occasions and thought it had resolved the problem. However, after the reconciliation deadline passed, it realized that, due to human error, this student was not properly reported to and recorded by the Pell program. UW-Platteville provided the auditor with the necessary documentation it believes shows that the student was, indeed, eligible for the amount of Pell funds it disbursed.

The second component of the variance was an overpayment that the student had paid, but the Bursar's Office failed to apply back to the Pell Grant program. The third component was a student who was eligible for the Pell Grant in 1999-2000. UW-Platteville reported the disbursements to the Pell program; however, the grant was not disbursed to the student until July 10, 2000, and \$688 was drawn from the FY 2000-01 Pell Grant account.

## **Property Management**

OMB Circular A-110, Subpart C, prescribes standards for property purchased with federal funds or furnished by the federal government. For example, federal rules require UW-Platteville to maintain property records that include a description, acquisition date, cost, location, use, condition, and funding source for each piece of equipment. Federal rules also require UW-Platteville to perform a physical inventory at least once every two years and to reconcile the results to property records.

During our FY 1994-95 through FY 1997-98 audits, we identified concerns with UW-Platteville's compliance with federal property management requirements. Specifically, we noted that UW-Platteville had not conducted a physical inventory of equipment since FY 1993-94, had not reconciled or updated inventory records based on the FY 1993-94 inventory count results, and had not updated the inventory system for new equipment acquisitions since January 1995. We recommended (Finding WI-99-37) that UW-Platteville comply with federal rules regarding property management.

During our current audit, we found that UW-Platteville is using a new property management system. Staff have completed a physical inventory of equipment, reconciled and updated all inventory records, and instituted procedures to ensure accurate record-keeping.

### **University of Wisconsin-River Falls**

UW-River Falls, which provides instruction to 5,700 students seeking undergraduate or graduate degrees, had operating costs totaling \$78.5 million in FY 1999-2000. Federal grant expenditures for that period totaled \$15.3 million, including \$23,000 for the major research and development cluster and \$14.2 million for the student financial aid cluster.

During our current audit, we followed up on the efforts of UW-River Falls to address concerns included in our FY 1998-99 single audit report. We found UW-River Falls has satisfactorily addressed our concerns related to loan assignments and collection agencies.

#### **Loan Assignments**

Federal regulations for the Perkins Loan Program specify that if a loan is still in default after four years of collection efforts, the institution shall continue to make annual attempts to collect from the borrower until the loan is recovered; write off the account, if under \$200; or assign the account to the U.S. Department of Education. Although federal regulations do not specify how long institutions may keep defaulted loans before assignment, good loan management practices require institutions to identify when collection efforts available to them have been exhausted and more powerful collection efforts are necessary. When defaulted loans are assigned, the U.S. Department of Education is able to use collection methods that are not available to campus staff, such as intercepting federal tax refunds.

During our FY 1998-99 audit, we noted that in response to a previous recommendation, UW-River Falls had developed criteria for assigning loans to the U.S. Department of Education, and campus staff were in the process of preparing 44 loans for assignment. However, we also noted that UW-River Falls had at least 55 additional loans that well exceed its policy for assignment but had not been identified for assignment. We recommended (Finding WI-99-38) that UW-River Falls take timely action to assign delinquent loans in accordance with the campus loan assignment policy.

During our current audit, we found that UW-River Falls has materially implemented our prior audit recommendation. UW-River Falls has submitted ten defaulted loans to the U.S. Department of Education for assignment. UW-River Falls staff have prepared the necessary assignment information, or are in the process of preparing the information, for 80 additional defaulted loans and will be submitting these loans to the federal government in the near future.

## **Collection Agencies**

Federal regulations for the Perkins Loan Program require collection agencies to return loans to institutions if they do not succeed in converting loans to repayment status within 12 months. Upon the return of a loan, the institution is required to attempt to collect the loan in-house or to place the loan with a different collection agency for an additional 12-month period.

During our FY 1998-99 audit, we noted that in response to a previous recommendation, UW-River Falls had developed procedures to recall defaulted loans from collection agencies after 12 months if collection efforts were unsuccessful. However, we found these procedures were either insufficient or were not being followed. We reviewed 15 loans in default as of June 30, 1999, and found 1 that was at the same agency for 25 months, and 4 that were at the same agency for 20 months. We recommended (Finding WI-99-39) that UW-River Falls fully carry out its procedures to ensure defaulted loans referred to collection agencies are returned in a timely manner.

During our current audit, we found that UW-River Falls has materially implemented our prior audit recommendation. We reviewed ten loans that were in default as of June 30, 2000, and had been referred to a collection agency. Of these ten, we found that seven had been with the same collection agency for less than 12 months. The remaining three loans exceeded the 12-month limitation; however, since the collection agencies reported repayment activity within these accounts, we believe the intent of the federal regulations has been met.

## **University of Wisconsin-Stevens Point**

UW-Stevens Point, which provides instruction to 8,500 students seeking undergraduate or graduate degrees, had operating costs totaling \$106.2 million in FY 1999-2000. Federal grant expenditures for that period totaled \$24.8 million, including \$139,000 for the major research and development cluster and \$22.7 million for the major student financial aid cluster.

During our FY 1999-2000 audit, we documented and tested UW-Stevens Point's internal control structure used in administering the student financial aid cluster. In addition, we tested compliance with grant requirements for the student financial aid cluster. Overall, UW-Stevens Point's internal control structure appears sufficient to ensure compliance with grant requirements for the student financial aid cluster. However, we noted a concern regarding cash management policies and procedures.

### **Finding WI-00-40: Cash Management**

UW-Stevens Point requests its student financial aid funds from the U.S. Department of Education on a reimbursement basis. Under the reimbursement method, UW-Stevens Point must disburse the funds to eligible students before requesting funds from the Department. However, effective cash management procedures also require UW-Stevens Point to request the necessary funds as soon as possible after incurring the

allowable expenditures. Such procedures ensure that neither the federal government nor the State earns interest income at the expense of the other.

During our current audit, we found that UW-Stevens Point requested student financial aid reimbursements only three times during the fiscal year: September 1, 1999; November 23, 1999; and January 13, 2000. Although the September and January reimbursements were requested at the busiest times of the year in terms of student financial aid disbursements, we believe additional reimbursements were warranted. For example, we audited in detail two other UW campuses at the same time as UW-Stevens Point. During these audits, we found that UW-La Crosse made monthly requests for reimbursement. UW-Platteville requested reimbursement every three days for the first few weeks of each semester and on at least a monthly basis thereafter. In addition, the three UW-Stevens Point reimbursement requests totaled approximately \$4.6 million, which was nearly \$682,000 less than total federal student financial aid expenses incurred. Campus staff requested these additional funds in September 2000, three months after the fiscal year ended.

Since the reimbursement requests were not made on a consistent and frequent basis, state funds were used to temporarily pay the student financial aid disbursements and the State lost an undetermined amount of interest. Therefore, *we recommend the University of Wisconsin-Stevens Point develop policies and procedures for requesting federal reimbursement of student financial aid expenditures to minimize the delay between when the University incurs an expenditure and when it receives reimbursement.*

Questioned Costs: Various Student Financial Aid Programs: Cash Management = None

UW-Stevens Point Response and Corrective Action Plan: UW-Stevens Point agrees with the recommendation. Beginning in April 2001, UW-Stevens Point will review the cash needs for the student financial aid funds at least monthly and draw down the appropriate amounts.

### **University of Wisconsin-Extension**

UW-Extension, in cooperation with the other UW campuses, provides continuing education courses in classrooms and via distance education, as well as a wide-ranging public service program to Wisconsin residents. In FY 1999-2000, UW-Extension had operating costs totaling \$81.7 million; federal grant expenditures for that period totaled \$11.4 million.

During our FY 1999-2000 audit, we documented and tested UW-Extension's internal control structure used in administering the Cooperative Extension Service grant. In addition, we tested compliance with grant requirements for that program. Overall, UW-Extension's internal control structure appears sufficient to ensure compliance with grant requirements for the Cooperative Extension Service grant. However, we identified a concern related to unallowable costs for building repairs.

### **Finding WI-00-41: Unallowable Costs**

The Cooperative Extension Service grant has been administered by UW-Extension for over 35 years. The grant's objective is to identify and solve farm, home, and community problems through the practical application of research findings of colleges and universities. According to federal regulations, no portion of these grant funds may be applied directly or indirectly to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land.

As part of our current audit, the Cooperative Extension Service grant was selected for review. While reviewing grant expenditures, we noted that UW-Extension recorded building repair expenditures of \$5,703 in FY 1999-2000. These expenditures related to repair projects such as electrical work and new carpeting for the Cooperative Library renovation project. UW-Extension staff stated that they thought regular maintenance and repairs needed to preserve buildings were allowable. However, UW-Extension's subsequent discussions with the granting agency have reinforced our belief that these expenditures are prohibited under federal regulations.

Therefore, *we recommend the University of Wisconsin-Extension develop and implement policies and procedures to ensure funds from the Cooperative Extension Service grant are not applied directly or indirectly to the purchase, erection, preservation, or repair of buildings.*

Questioned Costs: Cooperative Extension Service (catalog #10.500):  
Unallowable Costs = \$5,703

UW-Extension Response and Corrective Action Plan: UW-Extension agrees that funds from the Cooperative Extension Service grant cannot be used for building repair expenditures. It has shared this policy with the College of Agriculture and Life Sciences, which incurred the remodeling costs, and will reiterate the policy via e-mail to the appropriate staff. UW-Extension will explore the feasibility of listing unallowable costs on its Web site for easy reference and adapting its accounting system to preclude ineligible class codes from being charged to this grant. In addition, UW-Extension agrees the unallowable costs of \$5,703 are inappropriate for the Cooperative Extension Service grant and will transfer these costs to other funds.

**University of Wisconsin System**  
**Summary of Findings and Questioned Costs**  
 FY 1999-2000

**U.S. Department of Agriculture**

*University of Wisconsin-Extension*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-41	10.500	Cooperative Extension Service	Unallowable Costs	\$ 5,703

**U.S. Department of Education**

*University of Wisconsin-Madison*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-26	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

*University of Wisconsin-Milwaukee*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-27	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

*University of Wisconsin-La Crosse*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-32	84.033	Federal Work-Study Program	Missing Documentation	\$ 6,034
WI-00-28	84.038	Perkins Loan Program	In-House Collection Efforts	0
WI-00-29	84.038	Perkins Loan Program	Collection Agencies	0
WI-00-30	84.038	Perkins Loan Program	Post-Deferment Grace Periods	0
WI-00-31	84.038	Perkins Loan Program	Loan Disclosures	0

*University of Wisconsin-Oshkosh*

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-34		Various Student Financial Aid Programs	Federal Reporting*	\$ 0

***University of Wisconsin-Parkside***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-36	84.038	Perkins Loan Program	Loan Assignments*	\$ 0
WI-00-35		Various Student Financial Aid Programs	Federal Reporting*	0
WI-00-37		Various Student Financial Aid Programs	Late Refund*	Undetermined

***University of Wisconsin-Platteville***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-39	84.063	Pell Grant Program	Pell Grant Reconciliation	Undetermined
WI-00-38		Various Student Financial Aid Programs	Refunds and Overpayments	\$ 903 Plus an Undetermined Amount

***University of Wisconsin-Stevens Point***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-40		Various Student Financial Aid Programs	Cash Management	\$ 0

**Noncompliance Findings Affecting Multiple Grants**

***University of Wisconsin-Oshkosh***

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-33		Multiple Grants	Physical Inventory*	\$ 0

\*Repeat finding from audit report 00-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the contact person listed in Appendix 2 of this report.

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The Wisconsin Department of Transportation (DOT) is responsible for providing leadership in the development and operation of a safe and efficient transportation system for the State of Wisconsin. DOT administers both state and federal transportation programs, including those affecting highways, bridges, airports, harbors, and railroads. DOT disbursed \$1.85 billion dollars during FY 1999-2000; federal grants to the State financed \$541.7 million of that amount.

As part of our standard audit procedures, we reviewed DOT's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested compliance with grant requirements for the Highway Planning and Construction (catalog #20.205) grant, which is a type A major grant program. Overall, DOT's internal controls are adequate, and the agency complied with the grant requirements for the major program. We do, however, have concerns related to outstanding encumbrances and highway construction materials testing. In addition, we followed up on the contract change orders finding included in our prior single audit report (report 00-5).

### **Finding WI-00-42: Encumbrance Review**

Each year, DOT receives federal grants to fund the federal government's share of highway construction projects. DOT allocates federal spending authority to the various highway construction projects and uses encumbrance accounting for its projects.

It is important that DOT review construction projects to ensure all encumbrances are valid and necessary. If the encumbrances are no longer needed, they should be closed, which then allows DOT to allocate federal spending authority to other construction projects.

Quarterly, DOT sends the various districts the Inactive Open Contracts report, which identifies contracts that had no activity during the prior six months. The districts are to review these reports to determine whether the encumbrances remain valid and to ensure that all inactive encumbrances are closed. The payroll and expenditure accounting unit provides instructions on how districts are to close out unnecessary encumbrances.

However, DOT does not require districts to provide the central office justification or explanations for continuing to keep contracts open, or certifications or other assurances that districts did, in fact, review the encumbrances. Therefore, it is possible that not all districts give priority to reviewing the reports and closing encumbrances in a timely manner.

We reviewed a detailed report of encumbrances outstanding as of June 30, 2000, and found 25 purchase orders, totaling \$811,000, that had no activity since at least 1995. We

reviewed and discussed with district staff several of these encumbrances, which were determined to be inactive and no longer necessary. For example, we found an outstanding encumbrance of \$71,293 that had no activity since September 1992; DOT closed out this encumbrance after our discussion.

The State generally incurs more construction expenditures than available federal funding. Had DOT closed these encumbrances in a timely manner, it could have transferred the related federal spending authority to other construction projects and then requested federal reimbursement for other construction expenditures. However, because DOT did not review and liquidate these encumbrances in a timely manner, up to \$811,000 in state funds were used to subsidize federal funds during FY 1999-2000, resulting in up to \$40,000 in lost interest earnings to the State.

We discussed our concerns regarding the inactive encumbrances with central DOT staff, who have contacted district staff in an effort to close these encumbrances.

*We recommend the Wisconsin Department of Transportation ensure districts review the quarterly Inactive Open Contracts reports, provide justification for keeping encumbrances open, and close encumbrances no longer needed.*

Questioned Costs: Highway Planning and Construction (catalog #20.205):  
Encumbrance Review = None

DOT Response and Corrective Action Plan: DOT agrees with the recommendation. The Division of Transportation Districts (DTD) and the Bureau of Financial Services (BFS) will take the following steps to ensure that encumbrances no longer needed are closed promptly:

- BFS will consistently provide quarterly reports to the districts for their review and follow-up.
- DTD and BFS will emphasize to districts' Project Development and Systems Planning and Operations sections the importance of closing contracts on a timely basis.

Each district will discuss and determine the process that will be followed to distribute the quarterly reports that identify inactive contracts. Specifically:

- A district's Systems Planning and Operations Section will receive and promptly forward the reports to appropriate persons in the Project Development Section, who will determine whether a contract can be closed and make a note on the report to indicate the decision.

- When the report is returned to the Systems Planning and Operations Section, BFS will be notified of the contracts that can be closed and the encumbrances liquidated.
- Reports will be retained in the districts' offices for evidence that the procedures were followed.

### **Finding WI-00-43: Materials Testing**

DOT uses a number of different types of materials, such as asphalt pavement, concrete pavement, and coated high-strength bar steel reinforcements, in highway construction projects. Each type of material must meet minimum specifications. Under 23 CFR 637.207, the Federal Highway Administration requires the State to have a quality acceptance program to ensure highway project materials meet minimum specifications. For example, for every 50,000 pounds of coated high-strength bar steel reinforcements used in a project, the State is required to test for certain attributes, such as the strength of the bar.

Quality-control sampling and testing completed by vendors and contractors may be used as part of the State's quality acceptance program, provided the State validates the quality of the material through verification sampling and testing. This verification testing is to be performed on samples that are taken independently of the quality-control samples taken by the vendors and contractors.

Chapter 13 of the DOT Construction and Materials Manual contains DOT's material sampling, testing, and acceptance policies and procedures. Included in the manual is the Materials Testing and Acceptance Guide Index, which contains the minimum federal requirements for testing and acceptance of materials. These policies and procedures, if followed, should allow DOT to comply with federal materials testing requirements.

We reviewed 12 highway projects open during FY 1999-2000 to determine whether DOT performed the minimum number of tests on each of the materials used in the projects. Based on the amount and types of materials used, DOT was required to perform 107 verification tests. However, we found DOT performed only 83 tests, which is 24 fewer than required. For example, one project used approximately 457,000 pounds of coated high-strength bar steel reinforcements. While federal rules required DOT to perform nine verification tests, DOT performed only three tests. As a result, DOT is not assured that the materials used in the projects met the minimum federal specifications.

DOT staff with whom we spoke were unaware that the minimum number of tests was not performed. They noted that high turnover during the year may have caused staff to not be fully familiar with the DOT Construction and Materials Manual's procedures. Further, in prior years, DOT had followed an informal, unwritten policy of reviewing 10 percent of all projects to ensure that materials were sufficiently and properly tested. However, due to the staff shortages, these reviews were not completed during FY 1999-2000. After we discussed concerns with staff, DOT formalized a written policy to review 5 percent of each district's projects for compliance with testing requirements.

This policy was included in an internal memorandum, which DOT distributed to the districts at a recent Materials User Group meeting.

*We recommend the Wisconsin Department of Transportation ensure it follows the policies and procedures included in its Construction and Materials Manual related to quality control and acceptance of construction project materials.*

Questioned Costs: Highway Planning and Construction (catalog #20.205):  
Materials Testing = None

DOT Response and Corrective Action Plan: The Bureau of Highway Construction, Quality Management Section agrees with the recommendation and will be meeting with district personnel to communicate to them the importance of complying with the Construction Materials Manual when sampling and testing. If for some reason district staff cannot comply with the manual's testing frequency and documentation policies, they have been reminded of the importance of documenting any variances and reasons for the variances in their project logs.

### **Prior Audit Follow-up**

As part of our current audit, we followed up on DOT's progress in addressing finding WI-99-40 in our FY 1998-99 single audit report. DOT has implemented appropriate corrective actions to address our prior audit concern related to contract change orders.

### **Contract Change Orders**

As a recipient of Highway Planning and Construction grant funds, DOT is required by the Federal Highway Administration (FHWA) to obtain approval for extensions affecting project costs or for contract change orders. DOT has an agreement with FHWA that limits the pre-approval requirement to contract change orders that exceed \$50,000 or significantly change the scope of the project. During our prior audit, we found DOT had not obtained the required pre-approvals for three change orders totaling \$286,538 (Finding WI-99-40).

DOT convened a group of district and central office personnel to review contract change order procedures. Based on the group's suggestions, DOT now provides each of the field operations engineers with a list of the projects requiring signed contract change orders, and the engineers are to periodically review the list to ensure the necessary contract change orders were obtained. In addition, DOT now requires districts to submit documentation of contract change orders to the central office in Madison. We reviewed all six contract change orders exceeding \$50,000 from July 2000 through January 2001 and found DOT has obtained the necessary approvals.

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**Wisconsin Department of Transportation**  
**Summary of Findings and Questioned Costs**  
FY 1999-2000

**U.S. Department of Transportation**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-42	20.205	Highway Planning and Construction	Encumbrance Review	\$ 0
WI-00-43	20.205	Highway Planning and Construction	Materials Testing	0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The Wisconsin Department of Public Instruction (DPI) is responsible for providing direction for public elementary and secondary education in Wisconsin and for ensuring access to public library services to all state citizens. DPI disbursed \$4.6 billion during FY 1999-2000; federal grants to the State financed \$396.7 million of that amount. In addition, DPI distributed \$16.6 million in food products during the year under various federal commodity distribution programs.

As part of our standard audit procedures, we reviewed DPI's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DPI's compliance with grant requirements for the Technology Literacy Challenge Fund Grants (catalog #84.318) and the State Library Program (catalog #45.310), both of which are type B grant programs. Overall, DPI's internal controls are adequate, and the agency complied with the grant requirements for the grant programs we tested. However, we identified concerns with DPI's subrecipient monitoring efforts. We also followed up on the progress DPI made in addressing findings WI-99-41 and WI-99-42 of our prior single audit report (report 00-5).

#### **Finding WI-00-44: Subrecipient Monitoring**

DPI provides federal funds to school districts, other local units of government, and nonprofit organizations through U.S. Department of Agriculture and U.S. Department of Education grant programs. As a subgrantor of federal funds, DPI is required to monitor subrecipients to ensure they comply with the audit requirements of OMB Circular A-133. OMB Circular A-133 also requires DPI to review subrecipient audit reports and issue management decisions on any findings within six months of receipt of the reports.

During our review of subrecipient monitoring, we found DPI auditors had not reviewed 124 of 198 FY 1998-99 audit reports, or 62.6 percent, within six months of receipt. Staff stated that the reports were not reviewed on a timely basis because some of the DPI auditors were assigned to other projects, and DPI did not make reviewing the audit reports a priority. We reviewed 30 of the unreviewed audit reports and found 10 had federal noncompliance findings. For example, one audit report had an eligibility finding related to the National School Lunch Program that resulted in questioned costs of an undetermined amount. It is important that DPI review the various audit reports to ensure they have been prepared in accordance with the required auditing standards and to resolve any instances of noncompliance or questioned costs.

DPI plans to review the FY 1998-99 audit reports at the same time the FY 1999-2000 audit reports are reviewed. However, until the FY 1998-99 reports are reviewed, DPI remains in noncompliance with federal rules.

We recommend the Wisconsin Department of Public Instruction give priority to reviewing the FY 1998-99 and FY 1999-2000 audit reports.

Questioned Costs: Multiple Grants: Subrecipient Monitoring = None

DPI Response and Corrective Action Plan: As of March 16, 2001, DPI completed its review of all FY 1998-99 single audit reports that it was required to review. DPI's review of FY 1999-2000 audit reports is substantially completed. There are approximately 12 reports for which DPI auditors are waiting for additional information from school district auditors. DPI recognizes this is an important responsibility and plans to remain current with audit report reviews.

### **Prior Audit Follow-up**

We followed up on DPI's progress in implementing corrective action plans related to property management and suspension and debarment certifications. While DPI has taken steps to address our concerns with suspension and debarment certifications, continued efforts are needed related to property management.

### **Property Management**

As of June 30, 2000, DPI owned over \$3.0 million in computers and other equipment meeting the fixed-asset threshold of \$5,000. Some of these fixed assets are funded by federal grants. The Common Rules and other federal regulations require state agencies that acquire permanent property with federal funds to follow state and department property management policies. The State's policy is to indicate in permanent property records descriptions of the assets and their locations, acquisition dates, cost, funding sources, and date and method of disposition. In addition, agencies are to perform an annual physical inventory and to reconcile the results to permanent property records. During our prior audit, we noted concerns with DPI's physical inventory procedures and with the accuracy of the funding source information included on the permanent property records (Finding WI-99-41).

During FY 1999-2000, DPI divided responsibility for fixed assets between the Information Technology Unit, which maintains a separate database of computer-related fixed assets, and the Management Services business office, which maintains a database for all other fixed assets. The business office now has adequate record-keeping procedures for non-computer-related fixed assets. In addition, it completed a physical inventory as of June 30, 2000, and has taken steps to ensure funding information is properly recorded in the permanent property records.

However, we continue to have concerns with the permanent property records maintained by the Information Technology Unit, which at the time of our fieldwork was implementing a new system, known as the Resource Management System (RMS), to track computer-related fixed assets. For example, the unit:

- did not ensure that all assets that needed to be added to RMS were, in fact, added. For example, a LAN server with a value of \$20,600 and computer-related assets of the residential schools were not included on the inventory system.
- did not include on RMS fixed asset cost information or acquisition dates; and
- did not properly record disposal information or maintain adequate documentation of disposals. Documentation consisted of notes in a binder and did not indicate whether the items were disposed of or transferred to another unit, or the method of disposal. For example, one computer, with a cost of \$5,235, was transferred to the residential schools but had been marked as disposed of on the Information Technology permanent property records.

We discussed our concerns with DPI management, which has decided to assign the business office responsibility for capturing all required data in an Oracle database. The business office has been assigned responsibility for updating the database for additions and disposals, performing quarterly reconciliations of this database to RMS, and conducting an annual physical inventory of all fixed assets. In order to track the installation and movement of computer-related equipment, Information Technology Unit staff will continue to record all computer-related equipment on their system, including the equipment's tag numbers, descriptions, and locations. In addition, the Information Technology Unit will be responsible for informing the business office of the disposal of computer-related fixed assets. It is important that DPI complete this transition of responsibilities before the end of the fiscal year, to ensure fixed assets are properly recorded for financial statement purposes.

### **Suspension and Debarment Certifications**

The federal government prohibits grantees from entering into any agreement with a person or entity that is debarred, suspended, declared ineligible, or voluntarily excluded from participation in federal assistance programs. DPI is required to ensure that contractors receiving individual awards for \$100,000 or more, and all subrecipients, certify that the organizations and their principal members are not suspended, debarred, or otherwise ineligible to participate in federal programs. While DPI obtained suspension and debarment certifications from subrecipients, we noted in our prior audit that it did not obtain the necessary certifications from vendors (Finding WI-99-42). DPI implemented appropriate corrective action and now requires certifications from vendors contracting for \$100,000 or more.

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**Wisconsin Department of Public Instruction  
Summary of Findings and Questioned Costs  
FY 1999-2000**

**Noncompliance Findings Affecting Multiple Grants**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-44		Multiple Grants	Subrecipient Monitoring	\$ 0

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The Wisconsin Department of Administration (DOA) provides support services to other state agencies; coordinates statewide planning for information technology, housing, telecommunications, energy, and coastal management; and performs other functions prescribed by law. DOA is also responsible for providing the Governor with fiscal management information and the policy alternatives required for preparation of Wisconsin's biennial budget. DOA disbursed \$377.3 million during FY 1999-2000; federal grants to the State financed \$109.9 million of that amount.

As part of our standard audit procedures, we reviewed DOA's internal control policies and procedures related to receipts, disbursements, and the administration of federal grant programs. We tested its compliance with grant requirements for the Community Development Block Grants/State's Program subgrant (catalog #14.228), a type A grant program received from the Wisconsin Department of Commerce, and the Violence Against Women Formula Grants (catalog #16.588), a type B grant program.

Overall, DOA's internal control structure is adequate, and the agency complied with the grant requirements for the programs tested. However, we have concerns with the preparation of financial status reports for grants received from the U.S. Department of Justice.

We also followed up on the progress DOA made in addressing Findings WI-99-44 through WI-99-47 of our prior single audit report (report 00-5). We continue to have concerns with DOA's methodology to determine billing rates for an internal service fund, which may have resulted in overcharges to federal grants. In addition, we continue to have concerns related to program income for the HOME Investment Partnerships Program (catalog #14.239) grant awarded by the U.S. Department of Housing and Urban Development.

### **Finding WI-00-45: Financial Reporting**

The Office of Justice Assistance (OJA), which is attached to DOA for administrative purposes, administers 15 grants awarded by the U.S. Department of Justice. OJA is required to complete and submit quarterly financial status reports to the U.S. Department of Justice for each grant. According to the *Financial Guide*, published by the Office of Justice Programs within the U.S. Department of Justice, financial status reports are to be presented on the cash basis and should contain the actual expenditures for the reporting period and cumulatively for the award.

Most state agencies prepare their financial status reports based on data maintained on WiSMART, the State's central accounting system. However, OJA prepares financial status reports based on a database it uses to track grant expenditures and other information. Because there is a timing difference between when expenditures are

recorded on OJA's database and when they are recorded on WiSMART, OJA's financial status reports do not reflect the actual cash outlays for the reporting period.

For example, we reviewed financial status reports for the Violence Against Women Formula Grants (catalog #16.588) and found OJA reported \$26,819 of expenditures for the period January through March 2000, while actual expenditures recorded on WiSMART were only \$19,957. This difference arose because OJA included expenditures paid in April and May 2000 on the March 2000 quarterly report. Since OJA follows the same procedures for all financial status reports, similar timing differences will occur for other grants. We discussed this issue with OJA staff, who agree the financial status reports should be prepared based on actual expenditures as recorded on WiSMART.

We recommend the Wisconsin Office of Justice Assistance prepare financial status reports based on information recorded on WiSMART, the State's central accounting system.

Questioned Costs: Violence Against Women Formula Grants (catalog #16.588): Financial Reporting = None

Multiple Grants from U.S. Department of Justice: Financial Reporting = None

DOA Response and Corrective Action Plan: DOA agrees with this recommendation and has discussed it with the Office of Justice Assistance. The Office of Justice Assistance will adjust its financial status reports to reflect WiSMART information in all future submissions.

### **Prior Audit Follow-up**

We followed up on DOA's progress in implementing corrective action plans for recommendations WI-99-44 through WI-99-47 in our FY 1998-99 single audit report. Although DOA has made progress related to its methodology used to determine billing rates for an internal service fund, we continue to have concerns in this area. In addition, DOA did not resolve concerns related to program income for the HOME Investment Partnerships Program (catalog #14.239).

### **Rate Determination**

DOA's Division of Information Technology Services (Info-Tech) develops billing rates for the mainframe computer services it provides by assigning budgeted costs to various cost pools and then dividing each pool's total budgeted costs by projected usage. For rates to accurately reflect the costs of providing specific services, all costs directly related to providing each mainframe service should be assigned to their proper cost pools. Costs that relate to all mainframe cost pools should be assigned to overhead and then fairly distributed to the other pools.

During our FY 1998-99 audit, we analyzed billing rates and had concerns with DOA's method for assigning costs to the overhead cost pool and the central processing unit (CPU) cost pool. We also had concerns related to the rate methodology submitted to the U.S. Department of Health and Human Services (DHHS) and with the electronic spreadsheets used to allocate costs to the various cost pools.

Finding WI-00-46: Rate Setting - During our prior audit, we found Info-Tech had assigned costs to the overhead cost and CPU cost pools that were unrelated to providing mainframe computer services. For instance, DOA included in the overhead cost pool \$1.2 million related to providing desktop computer and local area network support services through the Small Agency Support Initiative (SASI) to 25 small state agencies, which typically have little or no mainframe usage. In addition, we identified areas in which costs or reimbursements should have been assigned differently between the cost pools. For example, the costs of providing research and consulting services were included in the overhead cost pool, but the related reimbursements were included in the CPU cost pool.

As a result, all mainframe computer rates that Info-Tech charged state agencies, except those related to print, were higher than they would have been had DOA properly included costs in the overhead and CPU cost pools. Since many state agencies allocate costs to federal grant programs, the federal government was overcharged for mainframe computer services. For instance, as referenced in our prior single audit report, the Department of Workforce Development, which administers several large federal grants, may have overcharged its grants by as much as \$1.9 million during FY 1998-99. It is important to note, however, that if DOA had charged the correct mainframe computer rates, it would have needed to charge separately for other costs, such as SASI, which may have resulted in additional charges to federal grants. We recommended DOA review and revise its rate structure to ensure that mainframe computer cost pools do not include costs unrelated to providing mainframe computing services and to ensure costs are assigned to the appropriate cost pools (WI-99-44).

DOA has taken some steps to address concerns in this area. For instance, while \$1.1 million was still included in the overhead cost pool for SASI services in FY 1999-2000, Info-Tech has developed an alternative billing structure for these costs and anticipates separately billing the entities receiving the services starting in FY 2001-02.

However, because the mainframe computer rates are developed before the fiscal year begins, DOA continued charging agencies rates based on its old methodology during FY 1999-2000. In addition, until DOA completely reviews its rate methodology, future fiscal years' rates will continue to reflect some of our concerns.

*We recommend the Wisconsin Department of Administration:*

- *complete its revision to the rate structure for mainframe computing services to ensure cost pools do not include costs unrelated to providing the services;*

- complete its current review to ensure it assigns mainframe computer costs to the appropriate cost pools; and
- resolve any questioned costs for FYs 1998-99 and 1999-2000 with the federal government.

Questioned Costs: Multiple Grants: Rate Setting = Undetermined

DOA Response and Corrective Action Plan: Info-Tech is reviewing the costs associated with each cost pool to determine relevance to CPU (server) costs and the support of those services. Info-Tech has worked with the Division of Administrative Services and the State Budget Office to develop a rate consistent with the costs for supporting SASI agencies. This policy needs to be enacted in the 2001-03 biennial budget under current review by the Legislature. Info-Tech has also corrected the pass through of research and consulting services charges. Info-Tech will continue to work with the Division of Administrative Services to review any questioned costs for FYs 1998-99 and 1999-2000.

Rate Methodology Submitted to DHHS – DOA’s Division of Administrative Services, in conjunction with Info-Tech, is required to submit the methodology to determine Info-Tech rates to DHHS for approval. During our prior audit, we noted that the rate methodology was last submitted on May 3, 1993, and therefore was not up-to-date. We recommended DOA submit a revised rate methodology to DHHS for approval (Finding WI-99-45).

On January 31, 2001, DOA submitted an updated draft rate methodology to DHHS, which reflects the current methods to calculate mainframe computer rates and includes various categories missing from the original methodology. DOA plans on submitting a final plan for its current procedures in the near future. DOA should continue to provide DHHS revised rate methodologies as changes are made to the mainframe computer rate structure.

DOA Response: The final rate methodology documentation was submitted and accepted by DHHS.

Spreadsheets Used to Allocate Costs - Our prior audit also identified concerns related to DOA’s documentation of the Info-Tech rate calculations (Finding WI-99-46). Info-Tech staff developed billing rates using a series of computerized spreadsheets, which are complicated and have a number of allocations across cost pools. The reasons for these allocations and their effect on the overall rates were not well documented. Because the same Info-Tech staff had been working with the rates for many years, they were able to explain how the figures interrelate. However, without such assistance, it would have been difficult to review or recalculate the rates. Staff turnover could make calculating new rates difficult.

Info-Tech staff are currently documenting the process for determining the rate calculations, including the process of projecting usage, allocating costs, and determining the rates. Info-Tech plans to have the documentation complete for use as part of its FY 2001-02 rate development.

DOA Response: DOA Info-Tech staff have completed documentation for interrelationship of the spreadsheets used for determining rate calculations, projecting usage, allocating costs, and determining rates. Detail documentation for individual spreadsheets is underway.

#### **Finding WI-00-47: Program Income for the Home Buyer Assistance Program**

During FY 1999-2000, DOA expended \$13.6 million under the HOME Investment Partnerships Program, which was created to expand the supply of affordable housing for low-income individuals. The Home Buyer Assistance (HBA) program, a component within the HOME Program, provides assistance for down payments and closing costs to low-income home buyers. DOA entered into a subgrant agreement with C-Cap, Inc., a nonprofit corporation, to administer the HBA program.

Federal rules in 24 CFR 92.503(a), which are also included in the C-Cap subgrant agreement, require program income to be held and used by the State for HOME program purposes unless, as allowed by 24 CFR 92.504, the State agrees in writing to allow the subgrantee to retain the program income for additional HOME projects. During our FY 1998-99 and FY 1997-98 audits, we reported that DOA did not require C-Cap to treat as program income certain processing fees collected from banks for loans closed during each fiscal year. A portion of these processing fees was used to pay for some of the same administrative costs for which DOA reimbursed C-Cap through its subgrant agreement. Therefore, we questioned \$69,150 in processing fees that banks paid during FY 1998-99 and recommended DOA continue to work with the U.S. Department of Housing and Urban Development to resolve this issue (Finding WI-99-47).

This concern with program income has been ongoing for several years but remains unresolved. In May 2000, DOA did request additional information from C-Cap to delineate between the specific administrative costs paid by HOME program funds versus those paid by the bank processing fees. While C-Cap responded in June 2000, it did not provide information in sufficient detail to allow for useful analysis. DOA staff told us that since that time, they have had only a few informal conversations with C-Cap and the Department of Housing and Urban Development related to this issue.

As a result, our concern continues that the bank processing fees may be used to pay for the same administrative costs for which C-Cap is reimbursed through its subgrant. Based on the number of loans closed, we estimate that banks paid \$57,750 of bank processing fees in FY 1999-2000. Therefore, we question the \$57,750 of bank processing fees for FY 1999-2000 that, lacking evidence to the contrary, should have been treated as program income.

We recommend the Wisconsin Department of Administration require C-Cap, Inc., to report its program income and seek reimbursement from C-Cap for any costs covered by both the HOME Investment Partnerships Program and the fees charged by C-Cap to participating banks.

Questioned Costs: HOME Investment Partnerships Program (catalog #14.239, award #M97 SG550100): Program Income = \$57,750

DOA Response and Corrective Action Plan: DOA has analyzed the information provided by C-Cap to date and has sent a request for additional information. This additional information is to include a detailed accounting of both income sources (HOME funds and participation fee) received by C-Cap and supporting financial schedules delineating which administrative expenses were incurred by each source. Once this additional information is obtained, DOA believes it will be able to determine if there is an overpayment of HOME administrative funds, and if so how much. DOA also will review the contract language in C-Cap's future contracts to address appropriate application of the bank participation fees.

**Wisconsin Department of Administration  
Summary of Findings and Questioned Costs  
FY 1999-2000**

**U.S. Department of Housing and Urban Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-47	14.239	HOME Investment Partnerships Program	Program Income*	\$ 57,750

**U.S. Department of Justice**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-45	16.588	Violence Against Women Formula Grants	Financial Reporting	\$ 0
WI-00-45		Multiple Grants	Financial Reporting	0

## Noncompliance Findings Affecting Multiple Grants

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-46		Multiple Grants	Rate Setting*	Undetermined

\*Repeat finding from audit report 00-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The Wisconsin Department of Natural Resources (DNR) administers programs related to environmental standards for air and water quality, water supply regulation, solid waste management, fish and wildlife management, state parks, and forestry. DNR disbursed \$484.2 million during FY 1999-2000; federal grants to the State financed \$85.1 million of that amount.

As part of our standard audit procedures, we reviewed DNR's internal control policies and procedures over receipts, disbursements, and the administration of federal grant programs. We tested DNR's compliance with grant requirements for Performance Partnership Grants (catalog #66.605) and Superfund State Site-Specific Cooperative Agreements (catalog #66.802), both of which are type B grant programs.

Overall, DNR's internal controls are adequate, and the agency complied with the grant requirements for the grant programs we tested. However, we identified noncompliance with Davis-Bacon Act requirements. In addition, we followed up on the cash management finding included in our prior single audit report (report 00-5).

### **Finding WI-00-48: Davis-Bacon Act**

As a condition of receiving federal financial assistance for construction projects, state agencies are required to ensure compliance with the Davis-Bacon Act. Specifically, state agencies must ensure that all laborers and mechanics employed by contractors or subcontractors who work on federally funded construction projects in excess of \$2,000 are paid wages that are not less than those established for the locality by the U.S. Department of Labor. State agencies are to include "prevailing wage rate" clauses in construction contracts and to require contractors to submit payroll records and certification demonstrating that prevailing wage rates were paid.

However, DNR does not have policies and procedures in place to ensure compliance with the Davis-Bacon Act. We identified one federally funded construction project open during FY 1999-2000 that was subject to Davis-Bacon Act requirements. This project was related to moving certain buildings and stabilizing the soil and ground water under the Better Bright cooperative agreement (award #V995102-01-8), for which DNR charged approximately \$840,000 to the Superfund State Site-Specific Cooperative Agreements (catalog #66.802). DNR staff were unaware of the need to address Davis-Bacon Act requirements and did not include prevailing wage rate clauses in the construction contracts or ensure that prevailing wages were paid.

We recommend the Wisconsin Department of Natural Resources establish policies and procedures that ensure compliance with Davis-Bacon Act requirements for federally funded construction projects that exceed \$2,000. In addition, we recommend the Department determine whether prevailing wages were paid under the construction project for the Better Bright cooperative agreement and, if not, work with the federal government on the appropriate course of action.

Questioned Costs: Superfund State Site-Specific Cooperative Agreements (catalog #66.802, award #V995102-01-8): Davis-Bacon Act = Undetermined

DNR Response and Corrective Action Plan: DNR agrees with the recommendation. DNR will revise its policies and procedures to ensure compliance with Davis-Bacon Act requirements. In addition, DNR will review the Better Bright construction project to determine whether wages paid met the prevailing wage rate requirements. If the wages paid were not the prevailing wage rates, DNR will contact the federal government to determine appropriate resolution.

### **Prior Audit Follow-up**

We followed up on Finding WI-99-43 of our FY 1998-99 single audit report. DNR has taken steps to address our prior audit concerns related to cash management.

### **Cash Management**

Effective cash management requires state agencies to request federal reimbursement as soon as practical after incurring allowable grant expenditures. The State receives federal reimbursements related to the Capitalization Grants for State Revolving Funds and the Capitalization Grants for Drinking Water State Revolving Funds automatically and in a timely manner through the State's cash management system administered by the State Controller's Office. However, during FY 1999-2000, DNR used other processes to request over \$49 million of federal reimbursements for other grant programs because DNR's accounting methods for these grants do not allow it to effectively use the cash management system.

In prior years, DNR requested federal reimbursement on a monthly basis. However, during our prior two audit periods, DNR requested reimbursement on a quarterly basis or at longer intervals because, according to Bureau of Finance staff, the agency experienced difficulties obtaining the necessary expenditure information from its Cost Accounting and Reporting System (CARS), which was implemented at the start of FY 1996-97. DNR agreed with our prior audit recommendation (Finding WI-99-43), indicating it would continue to work toward requesting federal reimbursement in a more timely manner.

DNR has taken reasonable steps to address our concern: some additional staff resources have been reallocated to the grant accounting function and, where practical, DNR now attempts monthly reimbursement for grants exceeding \$200,000. However for some

grants, such as those related to fish, wildlife, and boating safety, which require extensive calculations to determine and report allowable costs, DNR requests reimbursement less frequently. We encourage DNR to continue to explore ways to efficiently seek federal reimbursement in a timely manner.

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**Wisconsin Department of Natural Resources  
Summary of Findings and Questioned Costs  
FY 1999-2000**

**U.S. Environmental Protection Agency**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-48	66.802	Superfund State Site-Specific Cooperative Agreements	Davis-Bacon Act	Undetermined

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The Wisconsin Department of Commerce has responsibilities in the areas of community and economic development, business advocacy, development financing, small and minority business assistance, industrial attraction and retention, international trade, and environmental and safety regulation. Commerce disbursed \$400.2 million during FY 1999-2000; federal grants to the State financed \$41.2 million of that amount.

As part of our standard audit procedures, we reviewed Commerce's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested compliance with grant requirements for the Community Development Block Grants/State's Program (CDBG) (catalog #14.228), the only type A major program administered by Commerce. Overall, Commerce's internal controls were adequate, and the agency complied with the grant requirements for the major program. We did not identify any significant new internal control weaknesses or instances of noncompliance with federal rules. In addition, we followed up on the subrecipient monitoring finding included in our prior single audit report (report 00-5) and found Commerce has taken appropriate corrective action.

#### **Prior Audit Follow-up**

Commerce subgrants funds to local governments and other organizations under the CDBG program. The Wisconsin Department of Administration developed *State Single Audit Guidelines* to assist the State in meeting its subrecipient monitoring obligations. These guidelines provide for the designation of state agencies to act as cognizant agencies to local units of government. For those entities for which it is the cognizant agency, Commerce is to perform desk reviews of subrecipient single audit reports, within 90 days of receipt, for compliance with reporting requirements and for report contents; to conduct quality-control reviews of the work of independent auditors to determine whether the auditors have followed the required auditing standards and guidelines for single audits; and to advise grantees if audits do not meet single audit requirements. Within six months of receipt of the audit report, Commerce is to resolve audit findings affecting programs administered by itself and to coordinate the resolution of internal control audit findings that affect the programs of more than one agency.

In prior audits, we reported that because of staff turnover, leaves of absence, and difficulty in filling vacant auditor positions, Commerce had not been able to perform its single audit monitoring duties in a timely manner. In our FY 1997-98 report, we noted that a backlog of 21 calendar year 1996 reports, and all calendar year 1997 reports, remained to be reviewed. In our FY 1998-99 report, we noted that one calendar year 1997 report was still outstanding and all calendar year 1998 reports remained to be reviewed (Finding WI-99-48).

Commerce has taken reasonable corrective action to address our subrecipient monitoring concerns. During FY 1999-2000, Commerce hired two auditors and assigned one the primary responsibility for subrecipient audit monitoring and the other backup responsibility. At the time of our fieldwork, Commerce had completed desk reviews of all audit reports it had received. In addition, Commerce plans to complete the necessary number of quality-control reviews of auditor workpapers, starting in spring 2001.

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The Wisconsin Department of Military Affairs (DMA) provides a military force through the Wisconsin National Guard, which is available for use in state and national emergencies. Through the Division of Emergency Management, DMA also implements statewide emergency preparedness plans and administers federal disaster and emergency relief funds. During FY 1999-2000, DMA disbursed \$56.4 million; federal grants to the State financed \$30.2 million of that amount.

As part of our standard audit procedures, we reviewed DMA's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DMA's compliance with grant requirements for the Hazard Mitigation Grant Program (catalog #83.548), which is a type B grant program. We also followed up on a time and effort reporting finding included in our FY 1998-99 single audit report (report 00-5).

Overall, DMA's internal controls appear to be adequate, and the agency complied with federal requirements for the grant program we tested. However, DMA has not completely addressed concerns related to time and effort reporting.

### **Prior Audit Follow-up**

We followed up on the progress DMA has made in implementing corrective action to address Finding WI-99-49 of our FY 1998-99 single audit report, which related to DMA's time and effort reporting.

### **Finding WI-00-49: Time and Effort Reporting**

During FY 1999-2000, DMA charged \$7.5 million in salary and fringe benefit costs directly to the National Guard Military Operations and Maintenance Projects (O&M) grant for approximately 180 full-time equivalent positions. OMB Circular A-87 has specific requirements to support salary and fringe benefit costs charged to federal programs or used to meet state matching requirements. During prior audits, we reported that DMA was not requiring employees whose salaries were charged to the O&M grant to complete semi-annual certifications or monthly personnel activity reports (Findings WI-99-49, WI-98-42, and WI-97-53).

As it noted in its prior audit corrective action plan, DMA was provided by the United States Property and Fiscal Office (USPFO) with information from the DHHS *Implementation Guide for Office of Management and Budget Circular A-87*, which is applicable to all federal agencies. According to the *Implementation Guide*, if an employee works on only one federal award and certain other conditions are met, the work effort "certification requirement can be met through certain payroll codings and

time and attendance certifications pursuant to payroll authorizations.” DMA believes that all but two employees working on the O&M grant meet the criteria included in the *Implementation Guide*. We spoke with staff in the USPFO, who agreed that if these employees work only on O&M activity, DMA meets the certification requirements through use of the State’s central payroll system.

DMA charges the O&M grant a portion of the work effort for two other employees who do not work solely on this grant. We have recommended in prior audits that DMA require these two employees to complete monthly personnel activity reports, as required by Circular A-87, or obtain approval for an alternative methodology. When we spoke with the USPFO, staff agreed that DMA needs to obtain personnel activity reports for these two employees.

However, DMA continues to be in noncompliance with federal time and effort reporting requirements. DMA continues to charge budgeted work effort for these two employees to the federal grant program and does not adjust charges to reflect actual work effort. As a result, the federal government may have been overcharged or undercharged for actual work effort. We discussed our concerns with DMA staff and orally recommended that they require these two individuals to document their work effort on the O&M grant. DMA did not agree to do so.

The federal time and effort reporting requirements are clear, and DMA continues to be in noncompliance related to these two employees. Therefore, we question \$22,791 in salary and fringe benefits costs charged to the O&M grant during FY 1999-2000 for the two employees who did not document their work effort in accordance with Circular A-87.

*We recommend the Wisconsin Department of Military Affairs require monthly personnel activity reports from all employees working on multiple activities who have a portion of their work effort charged to federal grants.* DMA may want to require staff working partially on the O&M grant to use the same time and effort reports that it requires Division of Emergency Management employees working on multiple activities, including federal grants, to complete.

Questioned Costs: National Guard Military Operations and Maintenance Projects (catalog #12.401, award #s DAHA-47-94-H-1001 and DAHA-47-99-2-1001): Time and Effort Reporting = \$22,791

DMA Response and Corrective Action Plan: Both of the positions in question are facility repair worker positions in which individuals are responsible for operation and maintenance of an assigned facility. These jobs are non-routine and ever changing. In order to meet a time and effort reporting standard, the individuals in these positions would need to maintain a daily log of all activities to ensure proper allocation of time. The lines are often indistinguishable between what is considered operational and what is considered maintenance.

DMA will continue discussion with the USPFO to determine the cost-effectiveness of implementing time and effort reporting in these limited circumstances.

DMA agrees to at least come to some formal agreement with the USPFO as to the adequacy of DMA's time and effort allocations and certifications. However, DMA remains concerned that an adequate certification process would be unproductive and of limited real value.

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**Wisconsin Department of Military Affairs  
Summary of Findings and Questioned Costs  
FY 1999-2000**

**U.S. Department of Defense**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-49	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting*	\$ 22,791

\*Repeat finding from audit report 00-5.

Inquiries regarding resolution of findings and questioned costs should be directed to the agency contact person listed in Appendix 1 of this report.

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The Wisconsin Department of Veterans Affairs (DVA) administers programs for veterans that include mortgage loan programs and education and economic assistance grants. DVA also operates the Wisconsin Veterans Nursing Home at King, Wisconsin. During FY 1999-2000, DVA disbursed \$163.2 million; federal grants to the State financed \$12.0 million of that amount.

DVA did not administer any federal financial assistance programs selected for review during FY 1999-2000 according to the risk-based approach required by OMB Circular A-133. Therefore, we did not test federal requirements specific to grant programs at DVA. However, we did follow up on the recommendation from our prior single audit report (report 00-5) regarding uncollected construction grant funds.

### **Prior Audit Follow-up**

In FY 1991-92, DVA received two federal grants from the U.S. Department of Veterans Affairs under the Grants to States for Construction of State Home Facilities (catalog #64.005). The first grant award (#FAI 55-912) was \$9.2 million for construction of Ainsworth Hall, a 204-bed nursing care facility at the Wisconsin Veterans Home. The second grant award (FAI 55-014) was \$1.6 million for replacement of an air conditioning system at a different building at the Home. Under both grants, the federal government agreed to pay for up to 65 percent of total project costs.

Although DVA completed both projects in FY 1994-95, at the time of our prior audit it had not collected \$66,668 in final reimbursements from the U.S. Department of Veterans Affairs for several reasons, as discussed in our prior year's report (Finding WI-99-50). In April 2000, DVA received final reimbursement of \$66,668 from the federal government and subsequently closed out the two construction projects on the State's accounting system.

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The Wisconsin Department of Justice (DOJ) is responsible for providing legal representation and advice, criminal investigation, and other law enforcement services to the State of Wisconsin and to local units of government. DOJ disbursed \$71.4 million during FY 1999-2000; federal grants to the State funded \$8.3 million of that amount.

As part of our standard audit procedures, we reviewed DOJ's internal control policies and procedures over receipts, disbursements, and administration of federal financial assistance programs. We tested DOJ's compliance with grant requirements for the State Medicaid Fraud Control Units grant (catalog #93.775), which is part of the Medicaid Cluster, a type A major program, and the Crime Victim Assistance grant (catalog #16.575), which is a type B grant.

Overall, DOJ's internal controls are adequate, and the agency complied with requirements for the tested grant programs. As part of our current audit, we followed up on our prior audit finding regarding DOJ's time and effort reporting.

#### **Prior Audit Follow-up**

DOJ charges salary and fringe benefit costs directly to the State Medicaid Fraud Control Units grant for approximately ten full-time equivalent positions. OMB Circular A-87 has specific requirements to support salary and fringe benefit costs charged to federal programs or used to meet state matching requirements. For employees working exclusively on a single federal program, DOJ must, at a minimum, ensure that semi-annual certifications are completed stating that the employees worked solely on the federal program. These certifications must be signed by the employees or their supervisors.

During our FY 1998-99 audit, we reported that DOJ did not require semi-annual certifications for employees working on the State Medicaid Fraud Control Units grant because staff were unaware of the federal requirement (Finding WI-99-52). DOJ implemented appropriate corrective action and, effective for the period July 1, 1999 through December 31, 1999, requires semi-annual work certifications from staff working on this grant.

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The Wisconsin Department of Corrections (DOC) is responsible for administering the State's correctional system. State and federal programs administered by DOC include those that affect the criminal justice system, prisons, and drug law enforcement. DOC disbursed \$854.0 million during FY 1999-2000; federal grants to the State financed \$6.9 million of that amount.

As part of our standard audit procedures, we reviewed DOC's internal control policies and procedures over receipts, disbursements, and the administration of federal financial assistance programs. We tested DOC's compliance with grant requirements for the State Criminal Alien Assistance Program (catalog #16.606), a type B grant program. Overall, DOC's internal controls were adequate, and the agency complied with the requirements for the grant program we tested. In addition, we followed up on the cash management finding included in our prior audit report (report 00-5).

#### **Prior Audit Follow-up**

Effective cash management requires state agencies to request federal reimbursement as soon as practical after incurring allowable grant expenditures. Agencies that manually request federal reimbursement generally do so on a monthly basis, with some including requests for advances for a portion of the next month's expenditures.

In our prior audit, we noted that DOC requested reimbursement for several grants, including the Violent Offender Incarceration and Truth in Sentencing Incentive Grants, on a quarterly basis, resulting in lost interest earnings to the State (Finding WI-99-51). DOC implemented appropriate corrective action and, effective for June 2000, now draws federal funds under the Violent Offender Incarceration and Truth in Sentencing Incentive Grants on a monthly or biweekly basis, depending on the level of expenditures. In addition, DOC now requests monthly reimbursements for most other grants, with the smallest grants requested on at least a quarterly basis.

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## Other State Agencies

The previous sections of this single audit report present, for specific state agencies, our findings related to internal control weaknesses and instances of noncompliance with federal rules and regulations. We have included our recommendations, identified questioned costs, incorporated the agencies' responses and corrective action plans, and reported the results of our follow-up to the findings presented in the State of Wisconsin Single Audit Report (report 00-5) for the previous fiscal year.

Twelve other agencies also administered various federal financial assistance programs. For these agencies, we did not identify any new internal control weaknesses or new instances of noncompliance with federal requirements. No instances of noncompliance and no questioned costs were reported as a result of our prior year's audit work at these agencies. Therefore, no prior audit follow-up was necessary. The other Wisconsin state agencies and each agency's direct federal expenditures, as well as expenditures under subgrant agreements, are included in the following table.

### Other State Agencies' Federal Expenditures FY 1999-2000

<u>Wisconsin State Agency</u>	<u>Direct Federal Expenditures</u>	<u>Expenditures Under Subgrant Agreements</u>	<u>Total</u>
Wisconsin Technical College System Board	\$29,404,133	\$406,607	\$29,810,740
Department of Agriculture, Trade and Consumer Protection	5,926,790	202,411	6,129,201
State Historical Society of Wisconsin	714,952	148,082	863,034
Wisconsin Arts Board	533,277	0	533,277
Wisconsin Higher Educational Aids Board	532,656	0	532,656
Child Abuse and Neglect Prevention Board	407,553	0	407,553
Board on Aging and Long-Term Care	0	273,072	273,072
Educational Communications Board	193,043	0	193,043
Public Service Commission	170,524	0	170,524
Department of Revenue	0	153,392	153,392
Department of Employment Relations	60,817	0	60,817
Department of Tourism	31,580	0	31,580

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## State of Wisconsin's Schedule of Findings and Questioned Costs for the Year Ended June 30, 2000

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OMB Circular A-133 requires the auditor to prepare a schedule of findings and questioned costs that includes the following three sections:

1. a summary of the auditor's results;
2. findings relating to the financial statements, which are required to be reported in accordance with *Government Auditing Standards*; and
3. findings and questioned costs for federal awards.

### SECTION I—Summary of Auditor's Results

As required by OMB Circular A-133, the Wisconsin Legislative Audit Bureau is providing the following summary information related to the State of Wisconsin's single audit for FY 1999-2000:

- We issued an unqualified opinion on the State of Wisconsin's general purpose financial statements.
- We noted several reportable conditions in internal control over financial reporting that were included in our "Independent Auditor's Report on the State of Wisconsin's Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards," dated December 18, 2000. None of the reportable conditions were considered material weaknesses in internal control over financial reporting.
- We noted no instances of noncompliance with laws, rules, regulations, and contracts that were material to the State of Wisconsin's general purpose financial statements.
- We noted several reportable conditions in internal control over major federal programs. The internal control weakness discussed in Finding WI-00-21, included in the Department of Workforce Development report narrative, is a material weakness in internal control over major federal financial assistance programs.

- We noted several findings of noncompliance with federal regulations. Finding WI-00-12, included in the Department of Workforce Development narrative, is considered a material instance of noncompliance that requires us to qualify our opinion on the State of Wisconsin's compliance with requirements applicable to its major federal programs.
- We disclosed findings that are required to be reported under OMB Circular A-133, Section 510(a). These findings are described in the single audit agency report narratives and accompanying summaries of findings and questioned costs.
- The dollar threshold used to distinguish between type A and type B programs, as prescribed by OMB Circular A-133, Section 520(b), was \$16.7 million.
- The State of Wisconsin did not qualify as a low-risk auditee under OMB Circular A-133, Section 530.
- The following were major federal grant programs, determined in accordance with OMB Circular A-133, Section 520:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.500	Cooperative Extension Service
10.551/.561	Food Stamp Cluster
10.568/.569	Emergency Food Assistance Cluster
14.228	Community Development Block Grant/State's Program
16.575	Crime Victim Assistance
16.588	Violence Against Women Formula Grants
16.606	State Criminal Alien Assistance Program
17.225	Unemployment Insurance
17.245	Trade Adjustment Assistance—Workers
20.205/23.005	Highway Planning and Construction Cluster
45.310	State Library Program
66.605	Performance Partnership Grants
66.802	Superfund State Site-Specific Cooperative Agreements
83.548	Hazard Mitigation Grant
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.318	Technology Literacy Challenge Fund Grants

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.556	Promoting Safe and Stable Families
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.575/.596	Child Care Cluster
93.658	Foster Care—Title IV-E
93.659	Adoption Assistance
93.775/.777/.778	Medicaid Cluster
93.917	HIV Care Formula Grants
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs
93.940	HIV Prevention Activities—Health Department Based
Various	Research and Development Cluster
Various	Student Financial Aid Cluster, limited to: UW-La Crosse UW-Platteville UW-Stevens Point

## **SECTION II—Financial Statement Findings**

This section of the schedule includes all reportable conditions related to internal control over financial reporting that are required to be reported by generally accepted auditing standards and *Government Auditing Standards*, including those that do not affect federal awards. Repeat findings from audit report 00-5 are indicated with an asterisk (\*).

### **Finding WI-00-50: Financial Reporting for the Support Collection Trust Fund at the Department of Workforce Development\***

Criteria: Financial information included in the State's financial statements should be reported in accordance with generally accepted accounting principles. These principles require the Department of Workforce Development to estimate the collectible portion of the support receivables and report that amount in the financial statements.

Condition: The Department of Workforce Development was unable to reasonably estimate the collectible portion of the support receivables as of June 30, 2000.

Questioned Costs: None

Context: The Department of Workforce Development collected and disbursed over \$800 million in support collections during FY 1999-2000. The financial statements of the Support Collection Trust Fund prepared by the Department are integrated into the State's financial statements.

Effect: Because the Department of Workforce Development did not reasonably estimate the collectible portion of the support receivables, the State did not report a receivable balance in the financial statements. The State disclosed the existence of support receivables, but not the dollar amount, in a note to the statements.

Cause: The Department of Workforce Development does not currently maintain information to reasonably estimate the collectible portion of the support receivables. For example, the Kids Information Data System (KIDS), which is used to maintain detailed information about support cases, does not record the length of time for which an individual receivable has been outstanding. In addition, at the time a case is closed, KIDS does not record what portion of the receivable, if any, remains uncollected.

Recommendation: We recommend the Department of Workforce Development continue its efforts to develop procedures to reasonably estimate the collectible portion of support receivables for inclusion in the Support Collection Trust Fund's financial statements.

Management's Response: The Department of Workforce Development agrees. The Department has established a work group to determine an acceptable methodology of estimating the collectible portion of support receivables and to provide documentation to support the reasonableness of the estimates.

**Finding WI-00-51: Reconciliations of Transactions and Balances in the Support Collection Trust Fund at the Department of Workforce Development\***

Criteria: To provide proper internal control, procedures should ensure financial information in different computer systems is reconciled.

Condition: The Department of Workforce Development has not reconciled the cash balance and other financial activity recorded in the State's accounting system for the segregated Support Collection Trust Fund to the financial activity recorded in the Kids Information Data System (KIDS). In addition, the Department has not reconciled the transactions and balances recorded in the State's accounting system to KIDS for the following General Fund accounts: holding, collections for public assistance programs, medical support liability collections, medical support liability incentives, county incentives, and tax intercept.

Questioned Costs: None

Context: The Department of Workforce Development collected and disbursed over \$800 million in support collections during FY 1999-2000. As of June 30, 2000, a cash balance of \$26 million was reported for the Support Collection Trust Fund in the State's FY 1999-2000 financial statements.

Effect: The risk of material misstatement of the financial statements is increased. In addition, the Department of Workforce Development is not assured that collection and disbursement activity has been accurately accounted for on the State's accounting system and KIDS.

Cause: The support collection and disbursement process is complex. The Department of Workforce Development has not assigned responsibility for reconciling the financial activity recorded in the State's accounting system for the segregated Support Collection Trust Fund to the amounts recorded in KIDS. In addition, since implementing KIDS in FY 1995-96, the Department has not devoted sufficient resources to reconciling General Fund transactions and account balances recorded in the State's accounting system to KIDS.

Recommendation: We recommend the Department of Workforce Development:

- assign responsibility to reconcile, on a monthly basis, support collection activity recorded in the State's accounting system for the Support Collection Trust Fund to information recorded in KIDS; and
- continue to place priority on developing procedures to reconcile information recorded on the State's accounting system within the General Fund to KIDS.

Management's Response: The Department of Workforce Development agrees. A finance staff person has been assigned to work on the reconciliation of support collection activity recorded in the State's accounting system for the Support Collection Trust Fund to information recorded in KIDS. The Department will continue its efforts to establish how these accounts can be reconciled. Once initially completed, procedures will be documented and the reconciliation responsibility assigned to ensure timely completion.

Staff in the Bureau of Child Support are developing procedures to reconcile KIDS and the General Fund information recorded on the State's accounting system. The Department recognizes the need for, and the benefit of, these procedures and continues to place priority on this task.

#### **Finding WI-00-52: Excessive Access to UW System Data\***

Criteria: To provide proper internal control, the University of Wisconsin-Madison's Division of Information Technology (DoIT) and Business Services staff should limit access to financial and payroll production transactions and data to only those individuals who need access to perform their job duties.

Condition: Several DoIT employees, including computer operators, were given access to UW Processing Center (UWPC) accounting and payroll production transactions and data. Following a reorganization within DoIT, access for several DoIT employees who no longer need access to accounting and payroll data was left unchanged.

Questioned Costs: None

Context: DoIT maintains critical financial systems, including UWPC accounting and payroll systems. Several DoIT employees have been given excessive access to update the production data of these systems.

Effect: DoIT employees with extensive knowledge of the UWPC systems could make unauthorized changes to data and conceal those changes.

Cause: DoIT staff have indicated that they plan to review and change the rules to establish appropriate access; however, limited progress has been made.

Recommendation: We recommend UW-Madison's Division of Information Technology and Business Services staff review and revise current access rules to limit access to only those individuals who need it to perform their job duties.

Management's Response: Business Services staff agree with the recommendation and will establish a process for staff to periodically review access. In the short term, UW staff will limit access for individuals specifically identified during the audit to the access necessary to complete job functions.

**Finding WI-00-53: Programmer Access to Critical Production Programs at the University of Wisconsin\***

Criteria: To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

Condition: We noted concerns related to excessive access to production programs at the University of Wisconsin. Programmers have access to the programs in production and could move programs from test to production without proper oversight and review.

Questioned Costs: None

Context: The University of Wisconsin maintains critical systems, including financial data for UW System accounting and payroll systems.

Effect: Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

Cause: Controls were not developed to ensure proper oversight before programs are moved to production.

Recommendation: We recommend the University of Wisconsin remove programmers' "write" access to production programs or implement adequate compensating controls that would detect, in a timely manner, any inappropriate access.

Management Response: The University of Wisconsin acknowledges programmers' access to production programs represents a risk and agrees to review the situation.

### **Finding WI-00-54: Improvement in Security at the Data Centers\***

**Criteria:** To provide internal control, security at the State's two data centers—one administered by the Department of Administration, and one by the University of Wisconsin—should be established to ensure data and transactions processed at the data centers are not susceptible to unauthorized manipulation.

**Condition:** While various improvements have been made, continued effort is needed at the State's two data centers to provide a more secure computing environment, including access to critical functions and data. For example, we have concerns with employees being granted excessive access to operating system software.

**Questioned Costs:** None

**Context:** The State's two data centers provide centralized computer processing facilities in which critical accounting and payroll data are processed.

**Effect:** Weak controls at the data centers increase the risk that unauthorized or erroneous changes are made to accounting, payroll, and other transactions and data.

**Cause:** Consolidations at the data centers caused large-scale changes in computer processing. While many improvements have been made to strengthen controls, because of time constraints some areas of concern remain.

**Recommendation:** We recommend the data centers continue to review their security and improve controls.

**Management Response:** The University of Wisconsin agrees to review these areas and develop procedures to improve controls.

The Department of Administration has taken steps to address the concerns identified by the auditors. For instance, the Department is continually reviewing and has already made changes to access, including securing system logs, reducing the number of individuals with access to high-level privileges, and changing the method of securing system management facilities. Further, the Department is in the process of migrating to a new security software. Therefore, some additional improvements have been and will continue to be made as part of this process. The Department has also moved security responsibility for the Small Agency Support Initiative within its Security Unit and is in the process of identifying agency security contacts and documenting procedures. Finally, the Department has taken proactive steps in improving its network security by contracting with a network security consultant. The Department plans to fill a permanent position to handle network security needs on an ongoing basis.

**Finding WI-00-55: Programmer Access to Critical Production Programs at the Department of Transportation\***

Criteria: To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

Condition: Programmers at the Department of Transportation have access to the programs in production, and some are allowed to move programs from the test environment to production.

Questioned Costs: None

Context: The Department of Transportation maintains critical systems, including financial data and other systems critical to agency operations.

Effect: Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

Cause: The Department of Transportation believes it can more efficiently complete program changes by allowing programmers access to the production environment.

Recommendation: We recommend the Department of Transportation remove programmers' access to critical production programs or implement adequate compensating controls that would detect, in a timely manner, any inappropriate access.

Management Response: The Bureau of Automation Services (BAS) agrees that allowing programmer access to production programs is a risk, but a necessary risk. After revoking access for 15 additional staff, BAS believes only staff with a legitimate need have access to critical production programs. BAS believes the cost and practicality of creating compensating controls to further reduce risk outweigh the benefits. Access controls in combination with Changeman staging controls, user verification procedures, and supervisory oversight maintain a high level of production system security. BAS will implement a process to more frequently review access to production programs and will continue to discuss ideas to further improve the ability to provide a sound production environment with the auditors.

**Finding WI-00-56: Programmer Access to the State's Central Accounting System and Central Payroll System Data\***

Criteria: To provide proper internal control, programmer duties should be separated from production and data control duties.

Condition: Programmers for the State's central accounting system and central payroll system have "write" and "allocate" access to production data that allows them to change the data stored in the datasets.

Questioned Costs: None

Context: The State's central accounting system maintains the State's official accounting records. The system processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State's general purpose financial statements. The State's central payroll system processes the bi-weekly payroll for most state employees.

Effect: Programmers with "write" and "allocate" access and extensive knowledge of the computer programs in the systems could make unauthorized changes to data and conceal those changes.

Cause: The Department of Administration requires computer programmers to perform production and data control duties.

Recommendation: In prior audits, we have expressed our concerns regarding access to production data granted to programmers and have made recommendations to reduce the risk of unauthorized transactions. We continue to believe that programmers should not have access to this data. However, the Department of Administration indicated that it accepts the risks in this area. Therefore, we make no recommendation at this time.

Management's Response: The Department of Administration agrees programmer access to data presents a risk of loss through fraud; however, it is concerned that the solutions proposed may have a substantial impact on the budget of the State Controller's Office. This is at a time when the Department's budget and staffing levels are being reduced (two positions have recently been eliminated in the State Controller's Office). To mitigate the risk, the Department is purchasing an insurance bond on the employees involved. Additionally, it is continuing to look for new approaches to limit programmer access to data.

**Finding WI-00-57: Department of Administration's Capital Accounting Unit Control Environment\***

Criteria: To provide proper internal control, the control environment should reflect the overall attitude and awareness of an organization concerning the importance of control and its effect on establishing, enhancing, or mitigating the effectiveness of specific controls.

Condition: In prior audits, we found significant errors and inconsistencies in the financial information prepared by the Capital Accounting Section. We again noted similar concerns during the current audit.

Questioned Costs: None

Context: The Capital Accounting Section is responsible for preparing financial information related to the State's building program for inclusion in the State's general purpose financial statements.

Effect: There is an increased risk that the financial statements contain material misstatements.

Cause: There are complex accounting issues related to reporting the activity of the debt service and capital projects funds in accordance with generally accepted accounting principles.

Recommendation: We recommend the Department of Administration take additional steps to improve its determinations of and explanations to agency staff concerning the adjusting entries for the State's capital projects and general obligation bonds.

Management's Response: The Department of Administration agrees and is taking steps to improve communications to agencies. The Department has recently had a staffing change at the position responsible for this area and is working to simplify the procedures to make training easier for the incoming accountant. A major priority for the new accountant is the development of better, more explanatory documentation for agencies.

**Finding WI-00-58: Access to the State's Central Accounting System Transactions\***

Criteria: To provide proper internal control, access to an accounting system should be limited based on employees' job duties. Employees should not have the ability to both enter and approve transactions.

Condition: The Department of Administration has taken steps to prevent employees from both entering and approving the same transactions. However, employees can override this restriction on transactions entered by other employees, through their ability to "correct" and approve transactions that remain on the suspense file. Effectively, employees continue to have the ability to both enter and approve WiSMART transactions, including those that result in the generation of checks.

Questioned Costs: None

Context: WiSMART, the State's accounting system, processes financial data for all state agencies and is the main source of information for financial schedules and statements, including the State's general purpose financial statements.

Effect: The ability to effectively enter and approve transactions increases the risk that unauthorized transactions will be processed.

Cause: The Department of Administration granted certain employees both entry and approval capabilities because these staff are responsible for performing accounting and payroll functions for several small agencies. The Department believes the access is necessary to complete transactions for all of these agencies on a timely basis. In implementing the control that prevents employees from both entering and approving the same transaction, the Department was unaware of the ability of employees to override the control on transactions entered by other employees, through their ability to both "correct" and approve transactions.

Recommendation: We recommend the Department of Administration eliminate the ability of employees to effectively enter and approve WiSMART transactions or implement appropriate compensating controls that would detect, in a prompt manner, any inappropriate transactions.

Management's Response: The Department of Administration believes there are insufficient staff to effectively manage if it removes the capability to "correct" from those staff with final approval access. In addition, the Department believes that there are adequate controls in place to detect any inappropriate transactions. In addition, the State Controller's Office (SCO) creates reports from the approval log table which show the mainframe ID of the entering and approving employees; since this report is already available to SCO, it is redundant for the Department's Division of Administrative Services to request creation of the same information.

**Finding WI-00-59: Excessive Access to Department of Administration Data\***

Criteria: To provide proper internal control, programmers should not have update access to production data. In addition, other employees' access to production data should be limited to those employees responsible for production.

Condition: While the Department of Administration did review and limit access to transactions, which was a concern identified in our prior audit, we continue to have concerns with access to production data. Two programmers and four purchasing staff at the Department of Administration are allowed to make changes to production data on the Financial Input System (FIS).

Questioned Costs: None

Context: The Department of Administration maintains FIS, which transfers information to the State's central accounting system. Department staff indicated that they will be implementing a new system to replace FIS in FY 2001-02.

Effect: Programmers with extensive knowledge of the systems could make unauthorized changes to data and conceal those changes. Other employees could also make unauthorized changes to production data.

Cause: The Department of Administration uses programmers and other employees to fix problems with its systems and has granted them access to production data.

Recommendation: We recommend the Department of Administration consider these control concerns and establish appropriate access when implementing the new system.

Management Response: The Department of Administration addressed access issues in its development of a replacement system (Purchase Plus) and is adding processes and steps that should reduce this risk. For instance, the Department will have on-line corrections screens and will not need to access production files.

**Finding WI-00-60: Programmer Access to Critical Production Programs at the Department of Administration\***

Criteria: To provide proper internal control, controls should be established to prevent programs from being altered and/or put into production without proper oversight and review.

Condition: Programmers at the Department of Administration have access to the programs in production, and some are allowed to move programs from the test environment to production.

Questioned Costs: None

Context: The Department of Administration maintains critical systems, including financial data for the central accounting and payroll systems, and other systems critical to agency operations.

Effect: Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

Cause: The Department of Administration believes the programmers require this access to help resolve production problems.

Recommendation: We recommend the Department of Administration remove programmers' access to production programs or implement adequate compensating controls that would detect, in a timely manner, any inappropriate access.

Management Response: The Department of Administration has restricted the number of programmers who can move WiSMART code into production to three programmers, to allow for adequate backup.

The Department believes that reviewing every code modification, initiating a form to approve the move, and then funneling all test-to-production transfers through one staff member would not only have a very negative impact on staff productivity, it would not ensure that only error-free, authorized code is moved. The Department believes this would not only be overly burdensome but it would not have the desired effect. This approach also does not allow for back-up, i.e., a second person trained to carry out the same duties in the absence of the primary staff person. The Department would, however, be interested in reviewing a model for a system of similar size and scope that is acceptable to the auditors to see if the Department can incorporate modifications to its process.

**Finding WI-00-61: Programmer Access to Critical Production Programs at the Department of Natural Resources\***

Criteria: To provide proper internal control, controls should be established to prevent computer programs from being altered and/or put into production without proper oversight and review.

Condition: Programmers have the ability to move computer programs from test to production without proper oversight and review.

Questioned Costs: None

Context: The Department of Natural Resources maintains computer systems that are critical to agency operations.

Effect: Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent changes.

Cause: The Department of Natural Resources did not develop controls to ensure proper oversight before programs are moved to production.

Recommendation: We recommend the Department of Natural Resources remove programmers' access to production programs or implement adequate compensating controls that would detect, in a timely manner, any inappropriate access.

Management Response: Department of Natural Resources agrees programmers' access to production programs presents a risk. Unfortunately, the Department's efforts at improving security are limited to the available personnel and financial resources. In an effort to raise awareness and improve security, including programmer access to production programs, the Department's Information Technology Architect has begun analyzing programs and will make recommendations and assist in the implementation of security improvements.

**Finding WI-00-62: Programmer Access to Department of Revenue Data and Programs\***

Criteria: To provide proper internal control, the programmers' ability to access or update production data and programs should be limited.

Condition: While some access has been reduced since our last audit, programmers continue to have "write" access to production files, allowing them to make changes directly to data in these files. In addition, some programmers continue to have access to production programs, allowing them to move programs from test to production without proper oversight and review. The Department of Revenue has developed a project to separate duties and implement new procedures to limit the inappropriate access.

Questioned Costs: None

Context: The Department of Revenue maintains critical systems to collect and process approximately \$12 billion in taxes annually for the State of Wisconsin and issues tax refund checks.

Effect: Ability to access or update production files increases the risk that unauthorized additions, deletions, or changes to data will be processed, resulting in erroneous or fraudulent information or transactions. Programmers with extensive knowledge of the computer programs could make unauthorized changes to the programs and conceal those changes, resulting in undetected erroneous or fraudulent information.

Cause: The Department of Revenue indicated that in the past, programmers routinely processed production applications and changed production data. Therefore, this access was necessary.

Recommendation: We encourage the Department of Revenue to continue its project to further reduce programmer “write” access to production programs and data.

Management’s Response: The Department of Revenue agrees and has taken steps to address the areas of concern. While fully implementing the change will take time, the Department has drafted new policies and procedures, developed an implementation team, and is in the process of making the needed changes.

**Finding WI-00-63: Program Change Controls at the Department of Employee Trust Funds**

Criteria: To provide proper controls over program changes, programmers should not have access to programs once testing has been completed, and an independent review of program changes should be performed to assess the reasonableness of the changes.

Condition: Programmers retain access to modified programs after testing is completed, and the majority of program changes do not have an independent review.

Questioned Costs: None

Context: The Department of Employee Trust Funds is the administrator of several public employee benefit programs, including the Wisconsin Retirement System.

Effect: Excessive access to modified programs and lack of independent review may allow programmers to make and conceal fraudulent changes.

Cause: The Department of Employee Trust Funds has indicated controls such as user testing and walk-throughs of technical changes are sufficient to mitigate the majority of risk for fraudulent program changes. Furthermore, the Department’s programmers make many changes and have limited resources to review all changes.

Recommendation: We recommend the Department of Employee Trust Funds take steps to ensure that program changes to critical systems are independently reviewed before they are moved into production and eliminate the programmers' ability to make changes to programs once testing has been completed.

Management's Response: The Department of Employee Trust Funds agrees that reducing risks and exposures for unauthorized programmer changes is desirable. The Department will evaluate and consider implementing other preventative and detective controls that might accomplish this objective within the framework of its limited resources.

**Finding WI-00-64: Employee Computer Access Controls at the Department of Employee Trust Funds**

Criteria: To provide proper internal control, an entity should limit access to financial records and systems to only those individuals who need it to perform their properly separated job duties.

Condition: The Department of Employee Trust Funds is not following its procedures for establishing new users and limiting access to that needed for job duties.

Questioned Costs: None

Context: The Department of Employee Trust Funds is the administrator of several public employee benefit programs, including the Wisconsin Retirement System.

Effect: Inappropriate access may lead to improper creation, revision, or deletion of information.

Cause: The Department of Employee Trust Funds has not enforced its own policies for establishing new users. In addition, excessive access may have resulted from re-using identifications or overly broad requests for access and lack of communication of access changes when an employee either terminates or changes positions.

Recommendation: We recommend the Department of Employee Trust Funds ensure appropriate approvals are obtained and documentation is maintained to justify the level of system access granted to users, and develop procedures for periodic supervisory reviews of employee access to critical systems.

Management's Response: The Department of Employee Trust Funds agrees that proper justification for employee access is needed, and reminded its staff to follow the documented procedures. The Department also agreed to require periodic review of employees' access by distributing listings of current access to supervisors.

### **Finding WI-00-65: Disaster Recovery and Business Resumption Plan\***

Criteria: To minimize disruption that may occur in an emergency, Wisconsin state agencies should have effective disaster recovery and business resumption plans in place.

Condition: Although most state agencies have made significant progress, the majority do not have full operating disaster recovery and business resumption plans.

Questioned Costs: None

Context: The State has made progress in testing the recovery of the data centers at an off-site backup location, but it needs to continue efforts for the various agencies to plan for resources needed to resume activity in the event of a disaster.

Effect: Without effective disaster recovery and business resumption plans in place, an emergency could disrupt the State's ability to provide critical services.

Cause: The State has not devoted sufficient resources to the development of its disaster recovery and business resumption plans.

Recommendation: We recommend the agencies move forward to complete their disaster recovery and business resumption plans.

Management's Response: The various agencies agree to continue their disaster recovery and business resumption planning efforts.

### **SECTION III—Federal Award Findings and Questioned Costs**

OMB Circular A-133 requires that audit findings be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action, and for federal agencies and pass-through entities to arrive at a management decision. The specific information that OMB Circular A-133 requires in audit findings can be found in the agency narratives included in the single audit report. The agency narratives also include the agencies' responses and corrective action plans, as well as summaries of findings and questioned costs. The agency narratives discuss the following findings in greater detail. Repeat findings from audit report 00-5 are marked with an asterisk (\*).

**U.S. DEPARTMENT OF AGRICULTURE**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-6	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Reconciliation of WIC Food Instruments*	\$ 0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-18	10.561	State Administrative Matching Grants for Food Stamp Program	Accounting for and Reporting State Matching Expenditures*	\$ 3,100

**University of Wisconsin-Extension**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-41	10.500	Cooperative Extension Service	Unallowable Costs	\$ 5,703

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**TOTAL U.S. DEPARTMENT OF AGRICULTURE** \$ 8,803

**U.S. DEPARTMENT OF DEFENSE**

**Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-49	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting*	\$ 22,791

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**TOTAL U.S. DEPARTMENT OF DEFENSE** \$ 22,791

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-47	14.239	HOME Investment Partnerships Program	Program Income*	\$ 57,750

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**TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** \$ 57,750

**U.S. DEPARTMENT OF JUSTICE**

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-45	16.588	Violence Against Women Formula Grants	Financial Reporting	\$ 0
WI-00-45		Multiple Grants	Financial Reporting	0
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<hr/> \$ 0

**U.S. DEPARTMENT OF LABOR**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-15	17.250	Job Training Partnership Act	Federal Draws and Interest Calculation	\$ 0
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<hr/> \$ 0

**U.S. DEPARTMENT OF TRANSPORTATION**

**Wisconsin Department of Transportation**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-42	20.205	Highway Planning and Construction	Encumbrance Review	\$ 0
WI-00-43	20.205	Highway Planning and Construction	Materials Testing	0
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<hr/> \$ 0

**U.S. ENVIRONMENTAL PROTECTION AGENCY**

**Wisconsin Department of Natural Resources**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-48	66.802	Superfund State Site-Specific Cooperative Agreements	Davis-Bacon Act	Undetermined
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				<hr/> Undetermined

**U.S. DEPARTMENT OF EDUCATION****Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-12	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Questioned Obligations	\$ 248,732
WI-00-13	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Reporting	Undetermined
WI-00-20	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Non-Federal Match*	329,107
WI-00-21	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Direct Payments for Client Services*	20,720
WI-00-23	84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	Subrecipient Monitoring*	0

**University of Wisconsin-Madison**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-26	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

**University of Wisconsin-Milwaukee**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-27	84.038	Perkins Loan Program	Loan Assignments*	\$ 0

**University of Wisconsin-La Crosse**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-32	84.033	Federal Work-Study Program	Missing Documentation	\$ 6,034
WI-00-28	84.038	Perkins Loan Program	In-House Collection Efforts	0
WI-00-29	84.038	Perkins Loan Program	Collection Agencies	0
WI-00-30	84.038	Perkins Loan Program	Post-Deferment Grace Periods	0
WI-00-31	84.038	Perkins Loan Program	Loan Disclosures	0

**University of Wisconsin-Oshkosh**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-34		Various Student Financial Aid Programs	Federal Reporting*	\$ 0

**University of Wisconsin-Parkside**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-36	84.038	Perkins Loan Program	Loan Assignments*	\$ 0
WI-00-35		Various Student Financial Aid Programs	Federal Reporting*	0
WI-00-37		Various Student Financial Aid Programs	Late Refund*	Undetermined

**University of Wisconsin-Platteville**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-39	84.063	Pell Grant Program	Pell Grant Reconciliation	Undetermined
WI-00-38		Various Student Financial Aid Programs	Refunds and Overpayments	\$ 903 Plus an Undetermined Amount

**University of Wisconsin-Stevens Point**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-40		Various Student Financial Aid Programs	Cash Management	\$ 0

**TOTAL U.S. DEPARTMENT OF EDUCATION**

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**\$ 605,496**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-3	93.556	Promoting Safe and Stable Families	Inadequate Record Keeping	\$ 0
WI-00-1	93.658	Foster Care—Title IV-E	Undocumented Payments	Undetermined
WI-00-2	93.658	Foster Care—Title IV-E	Lack of Court Orders in Case Files	0
WI-00-7	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System*	0
WI-00-7	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System*	0
WI-00-4	93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	Grant Administration	253

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-9	93.558	Temporary Assistance for Needy Families	Transfers of TANF Funds to SSBG	\$ 98,964
WI-00-10	93.558	Temporary Assistance for Needy Families	Charges to Prior-Year Award Funds	200,896 Plus an Undetermined Amount
WI-00-11	93.558	Temporary Assistance for Needy Families	Federal Reporting	0
WI-00-14	93.563	Child Support Enforcement	Excess Federal Reimbursements	17,218
WI-00-17	93.563	Child Support Enforcement	Delayed Return of Federal Share of Collections for Public Assistance Programs*	11,000
WI-00-24	93.563	Child Support Enforcement	Access to KIDS Information*	0
WI-00-19	93.600	Head Start	Documentation of Non-Federal Match*	0
WI-00-18	93.778	Medical Assistance Program	Accounting for and Reporting State Matching Expenditures*	4,400
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<hr/> \$ 332,731

**U.S. SOCIAL SECURITY ADMINISTRATION**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-13	96.001	Social Security–Disability Insurance	Reporting	Undetermined
<b>TOTAL U.S. SOCIAL SECURITY ADMINISTRATION</b>				<hr/> Undetermined

**NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-5		Multiple Grants	Property Management	\$ 0
WI-00-8		Multiple Grants	Subrecipient Monitoring*	0

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-16		Multiple Grants	Review of PMS Reports	\$ 0
WI-00-22		Multiple Grants	Property Records*	0
WI-00-25		Multiple Grants	Public Assistance Cost Allocation Plan*	0

**University of Wisconsin-Oshkosh**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-33		Multiple Grants	Physical Inventory*	\$ 0

**Wisconsin Department of Public Instruction**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-44		Multiple Grants	Subrecipient Monitoring	\$ 0

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Amount Questioned</u>
WI-00-46		Multiple Grants	Rate Setting*	Undetermined

<b>TOTAL NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS</b>	<u>Undetermined</u>
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<b>TOTAL QUESTIONED COSTS FOR THE STATE OF WISCONSIN</b>	\$1,027,571 Plus an Undetermined Amount
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## State of Wisconsin Summary Schedule of Prior Audit Findings

The Summary Schedule of Prior Audit Findings summarizes the status of the audit findings reported in the State of Wisconsin Schedule of Findings and Questioned Costs for the year ended June 30, 1999 (report 00-5). If the prior audit concern was fully addressed, the Summary Schedule of Prior Audit Findings indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, there is a reference to the page number of the FY 1999-2000 single audit report at which a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

If the audit finding was repeated from prior years, the Summary Schedule of Prior Audit Findings includes the finding reference number for the first year and all subsequent years that the finding was reported. Before FY 1996-97, the University of Wisconsin System was audited separately and discussed in separate reports. Findings previously included in these reports begin with "UW," followed by the last two digits of the fiscal year and the previous audit finding number. Findings included in the State of Wisconsin single audit report begin with "WI," followed by the last two digits of the fiscal year and the prior audit finding number. Prior audit report numbers, their corresponding fiscal year(s), and their finding reference numbers appear as follows:

State of Wisconsin Audit Reports			University of Wisconsin Audit Reports		
<u>Single Audit Report</u>	<u>Fiscal Year</u>	<u>Finding Reference Number</u>	<u>Single Audit Report</u>	<u>Fiscal Year</u>	<u>Finding Reference Number</u>
00-5	FY 1998-99	WI-99-**	-	-	-
99-12	FY 1997-98	WI-98-**	-	-	-
98-12	FY 1996-97	WI-97-**	-	-	-
			97-16	FY 1995-96	UW-96-**
			96-12	FY 1994-95 & FY 1993-94	UW-95-**
			-	-	-
			94-20	FY 1992-93 & FY 1991-92	UW-93-**

**U.S. DEPARTMENT OF AGRICULTURE**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-1	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Reconciliation of WIC Food Instruments	Partially Corrected, See page 26
WI-99-2	10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Service Organization Report on Internal Controls	Corrective Action Taken

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-9	10.561	State Administrative Matching Grants for Food Stamp Program	Accounting for and Reporting State Matching Expenditures	Partially Corrected, See page 47

**U.S. DEPARTMENT OF DEFENSE**

**Wisconsin Department of Military Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-49 WI-98-42 WI-97-53	12.401	National Guard Military Operations and Maintenance Projects	Time and Effort Reporting	Partially Corrected, See page 115

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-47 WI-98-35	14.239	HOME Investment Partnerships Program	Program Income	Not Corrected, See page 105

**Wisconsin Department of Commerce**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-48 WI-98-41 WI-97-50	14.228	Community Development Block Grants/State's Program	Subrecipient Monitoring	Materially Corrected, See page 113

**U.S. DEPARTMENT OF LABOR**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-18	17.225	Unemployment Insurance	Proceeds from Sale of Fixed Assets	Corrective Action Taken

**U.S. DEPARTMENT OF TRANSPORTATION**

**Wisconsin Department of Transportation**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-40	20.205	Highway Planning and Construction	Contract Change Order Pre-approvals	Corrective Action Taken

**U.S. DEPARTMENT OF VETERAN'S AFFAIRS**

**Wisconsin Department of Veteran's Affairs**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-50	64.005	Grants to States for Construction of State Home Facilities	Uncollected Construction Grant Funds	Corrective Action Taken

**U.S. DEPARTMENT OF EDUCATION**

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-11	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Non-federal Match	Partially Corrected, See page 49
WI-99-15	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Direct Payments for Client Services	Not Corrected, See page 52
WI-99-16	84.126	Rehabilitation Services— Vocational Rehabilitation Grants to States	Cash Management	Corrective Action Taken

**University of Wisconsin-Madison**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-24 WI-98-22	84.038	Perkins Loan Program	Loan Assignments	Corrective Action Planned for FY 2001-02

**University of Wisconsin-Milwaukee**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-25	84.038	Perkins Loan Program	Loan Assignments	Partially Corrected, See page 69

**University of Wisconsin-Oshkosh**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-26		Various Student Financial Aid Programs	Refunds and Overpayments	Corrective Action Taken
WI-99-28 WI-98-24 WI-97-21 UW-96-15		Various Student Financial Aid Programs	Federal Reporting	Partially Corrected, See page 75

**University of Wisconsin-Parkside**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-35	84.007	Supplemental Educational Opportunity Grant	Overdraw of Federal Award	Corrective Action Taken
WI-99-30	84.033	Federal Work-Study Program	Compensation and Documentation	Corrective Action Taken
WI-99-31	84.033	Federal Work-Study Program	Community Service Jobs	Corrective Action Taken
WI-99-32	84.038	Perkins Loan Program	Loan Assignments	Not Corrected, See page 78
WI-99-33	84.038	Perkins Loan Program	Collection Agencies	Corrective Action Taken
WI-99-29		Various Student Financial Aid Programs	Student Eligibility and Awards	Corrective Action Taken
WI-99-34		Various Student Financial Aid Programs	Federal Reporting	Not Corrected, See page 77
WI-99-36		Various Student Financial Aid Programs	Late Refund	Not Corrected, See page 79

**University of Wisconsin-River Falls**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-38 WI-98-28	84.038	Perkins Loan Program	Loan Assignments	Materially Corrected, See page 85
WI-99-39 WI-98-29	84.038	Perkins Loan Program	Collection Agencies	Materially Corrected, See page 86

**Wisconsin Technical College System Board**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-97-51	84.002	Adult Education—State Grant Program	Maintenance of Effort Reporting	Further Corrective Action Not Needed

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Wisconsin Department of Health and Family Services**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-3 WI-98-4	93.777	State Survey and Certification of Health Care Providers and Suppliers	Reconciliation of Quarterly Report to FCM System	Partially Corrected, See page 27
WI-99-3 WI-98-4	93.778	Medical Assistance Program	Reconciliation of Quarterly Report to FCM System	Partially Corrected, See page 27

**Wisconsin Department of Workforce Development**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-12	93.558	Temporary Assistance for Needy Families	Joint Income Maintenance Cost Allocations	Corrective Action Taken
WI-99-20	93.558	Temporary Assistance for Needy Families	Incentive Payments	Corrective Action Taken
WI-99-6	93.563	Child Support Enforcement	Late Return of Federal Share of Collections for Public Assistance Programs	Partially Corrected, See page 45
WI-99-7	93.563	Child Support Enforcement	Quarterly Report of Collections	Materially Corrected, See page 46
WI-99-8	93.563	Child Support Enforcement	Quarterly Report of Expenditures	Corrective Action Taken
WI-99-21 WI-98-14 WI-98-15 WI-98-16	93.563	Child Support Enforcement	Access to KIDS Information	Partially Corrected, See page 58
WI-99-10	93.600	Head Start	Non-federal Match	Not Corrected, See page 48
WI-99-9	93.778	Medical Assistance Program	Accounting for and Reporting State Matching Expenditures	Partially Corrected, See page 47

**Wisconsin Department of Justice**

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Findings</u>
WI-99-52	93.775	State Medicaid Fraud Control Units	Time and Effort Reporting	Corrective Action Taken

## NONCOMPLIANCE FINDINGS AFFECTING MULTIPLE GRANTS

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-4 WI-98-6 WI-97-4	Multiple Grants	Subrecipient Monitoring	Partially Corrected, See page 28
WI-99-5 WI-98-7 WI-97-5	Multiple Grants	Quality-Control Reviews	Corrective Action Taken

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-12	Multiple Grants	Joint Income Maintenance Cost Allocations	Corrective Action Taken
WI-99-13	Multiple Grants	Salary and Fringe Benefits	Corrective Action Planned for FY 2000-01
WI-99-14	Multiple Grants	Excess Cash Balances in Cost Pools	Corrective Action Taken
WI-99-17	Multiple Grants	Property Records	Partially Corrected, See page 55
WI-99-19	Multiple Grants	Subrecipient Monitoring	Partially Corrected, See page 56
WI-99-22 WI-98-17 WI-97-6	Multiple Grants	Public Assistance Cost Allocation Plan	Not Corrected, See page 60

### University of Wisconsin-Madison

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-23 WI-98-19	Multiple Grants	Cost-share Monitoring	Corrective Action Taken

### University of Wisconsin-Oshkosh

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-27	Multiple Grants	Physical Inventory	Partially Corrected, See page 74

**University of Wisconsin-Platteville**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-37 WI-98-26 WI-97-27 UW-96-19 UW-95-46 UW-93-51	Multiple Grants	Property Management	Corrective Action Taken

**Wisconsin Department of Public Instruction**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-41	Multiple Grants	Property Management	Corrective Action Taken
WI-99-42	Multiple Grants	Suspension and Debarment Certifications	Corrective Action Taken

**Wisconsin Department of Natural Resources**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-43 WI-98-38	Multiple Grants	Cash Management	Materially Corrected, See page 110

**Wisconsin Department of Administration**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-44	Multiple Grants	Rate Setting	Partially Corrected, See page 103
WI-99-45	Multiple Grants	Rate Methodology	Corrective Action Taken
WI-99-46	Multiple Grants	Documentation of Rate-Setting Methodology	Corrective Action Planned for FY 2001-02

**Wisconsin Department of Corrections**

<u>Finding Number</u>	<u>Grant</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-51	Multiple Grants	Cash Management	Corrective Action Taken

## FINANCIAL STATEMENT FINDINGS

### Wisconsin Department of Health and Family Services

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-53	Department of Health and Family Services Program Change Controls	Corrective Action Taken
WI-99-54	Financial Reporting for Enterprise Funds at the Department of Health and Family Services	Corrective Action Taken

### Wisconsin Department of Workforce Development

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-55	Recording Transactions and Financial Reporting for the Support Collection Trust Fund at the Department of Workforce Development	Partially Corrected, See page 129
WI-99-56	Reconciliations of Transactions and Balances in the Support Collection Trust Fund at the Department of Workforce Development	Not Corrected, See page 130

### University of Wisconsin System Administration

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-57 WI-98-52 WI-97-61	Reconciliation of UW System Records with the State's Official Records	Corrective Action Taken
WI-99-58 WI-98-53	Access to UW System Data	Not Corrected, See page 131
WI-99-59 WI-98-45 WI-97-62	Data Center Security Issues	Not Corrected, See page 133
WI-99-66 WI-98-46	Programmer Access to Critical Production Programs	Not Corrected, See page 132

## Wisconsin Department of Administration

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-59 WI-98-45	Data Center Security Issues	Partially Corrected, See page 133
WI-99-60 WI-98-47 WI-97-63	Programmer Access to the State's Central Accounting System Data	Not Corrected. The Department accepts the risk in this area. See page 134
WI-99-61 WI-98-48	Access to the State's Central Accounting System Transactions	Not Corrected, See page 136
WI-99-62 WI-98-49	Access to Data and Transactions Located on the Department of Administration's Systems	Partially Corrected, See page 137
WI-99-63 WI-98-50 WI-97-65	Capital Accounting Unit Control Environment	Not Corrected, See page 135
WI-99-66 WI-98-46	Programmer Access to Critical Production Program	Not Corrected, See page 138

## Wisconsin Department of Revenue

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-64 WI-98-46 WI-98-55	Programmer Access to Data and Programs	Partially Corrected, See page 139

## Wisconsin Department of Employee Trust Funds

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-65 WI-98-54 WI-97-58	Programmer Access to Data	Corrective Action Taken

**Wisconsin Department of Natural Resources**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Findings</u>
WI-99-66	Programmer Access to Critical Production Programs	Not Corrected, See page 139
WI-98-46		

**Wisconsin Department of Transportation**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-66	Programmer Access to Critical Production Programs	Not Corrected, See page 134
WI-98-46		

**Most State Agencies**

<u>Finding Number</u>	<u>Finding</u>	<u>Status of Finding</u>
WI-99-67	Disaster Recovery and Business Resumption Plan	Not Corrected, See page 142
WI-98-57		
WI-97-69		

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## Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2000

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The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government. For the fiscal year ended June 30, 2000, the State of Wisconsin expended almost \$6.3 billion in federal financial assistance, consisting of \$5.43 billion in cash assistance, as presented in the schedule, and \$0.83 billion in noncash assistance and outstanding loan balances, as described in Note 2 to the schedule.

As summarized on page 164, 24 state agencies, including the University of Wisconsin System, expended federal awards during FY 1999-2000. These agencies administered 28 federal programs, which are listed in Note 2 to the schedule, that were selected for review according to the risk-based approach required by OMB Circular A-133.

Federal programs have been classified for purposes of the schedule into three types: 1) individual federal programs and other clusters, which are presented on pages 165 through 182; 2) the research and development (R&D) cluster, presented on pages 183 through 199; and 3) the student financial aid (SFA) cluster, presented on pages 200 through 201.

**STATE OF WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

STATE AGENCY OR CAMPUS	INDIVIDUAL PROGRAMS AND OTHER CLUSTERS	RESEARCH AND DEVELOPMENT CLUSTER	STUDENT FINANCIAL AID CLUSTER	TOTAL
<b>SUMMARY BY STATE AGENCY OR CAMPUS FOR YEAR ENDED JUNE 30, 2000</b>				
Department of Health and Family Services	\$ 2,297,279,323	\$ 0	\$ 0	\$ 2,297,279,323
Department of Workforce Development	1,158,960,612	0	0	1,158,960,612
Department of Transportation	541,524,431	0	0	541,524,431
Department of Public Instruction	383,103,789	0	0	383,103,789
Department of Administration	97,623,505	0	0	97,623,505
Department of Natural Resources	84,621,515	0	0	84,621,515
Department of Commerce	41,064,343	0	0	41,064,343
Department of Military Affairs	30,225,940	0	0	30,225,940
Wisconsin Technical College System Board	29,408,649	0	0	29,408,649
Department of Veterans Affairs	12,059,396	0	0	12,059,396
Department of Justice	6,597,884	0	0	6,597,884
Department of Agriculture, Trade and Consumer Protection	5,926,790	0	0	5,926,790
Department of Corrections	2,890,221	0	0	2,890,221
State Historical Society of Wisconsin	714,952	0	0	714,952
Wisconsin Arts Board	533,277	0	0	533,277
Higher Educational Aids Board	532,656	0	0	532,656
Child Abuse and Neglect Prevention Board	407,553	0	0	407,553
Educational Communications Board	193,043	0	0	193,043
Public Service Commission	170,524	0	0	170,524
Department of Employment Relations	60,817	0	0	60,817
Department of Tourism	31,580	0	0	31,580
Board on Aging and Long-Term Care	0	0	0	0
Department of Revenue	0	0	0	0
Total State Agencies	<u>4,693,930,800</u>	<u>0</u>	<u>0</u>	<u>4,693,930,800</u>
UW-Madison	23,678,077	287,706,834	106,102,087	417,486,998
UW-Milwaukee	5,384,328	8,442,087	61,154,683	74,981,098
UW-Eau Claire	1,488,520	197,571	23,995,273	25,681,364
UW-Green Bay	1,118,531	223,796	12,072,217	13,414,544
UW-La Crosse	1,290,925	1,417,788	23,807,605	26,516,318
UW-Oshkosh	4,000,583	250,011	22,370,293	26,620,887
UW-Parkside	801,846	235,785	9,045,114	10,082,745
UW-Platteville	316,901	0	13,875,420	14,192,321
UW-River Falls	1,117,790	23,352	14,198,365	15,339,507
UW-Stevens Point	1,999,896	138,522	22,689,860	24,828,278
UW-Stout	2,466,714	855,131	24,131,752	27,453,597
UW-Superior	507,023	2,058	8,257,305	8,766,386
UW-Whitewater	1,423,858	257,439	26,872,736	28,554,033
UW Colleges	1,203,914	44,492	10,178,000	11,426,406
UW-Extension	11,390,405	7,881	37,678	11,435,964
UW System Administration	930,112	0	2,089	932,201
Wisconsin Humanities Council	563,977	0	0	563,977
Total UW System	<u>59,683,400</u>	<u>299,802,747</u>	<u>378,790,477</u>	<u>738,276,624</u>
<b>TOTAL STATE OF WISCONSIN</b>	<u>\$ 4,753,614,200</u>	<u>\$ 299,802,747</u>	<u>\$ 378,790,477</u>	<u>\$ 5,432,207,424</u>

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT:					
Subgrants:					
N/A	02.CCN-0005-C-00-3116-01	Privatization of Civilian and Defense Industries in the New Independent States (from Chemonics International)	UW-Madison	\$ (124,543)	\$ 0
N/A	02.ANE-A-00-90-00036; EEU-A-00-99-00034	East Central European Scholars Program (from Georgetown University)	UW-La Crosse	283,417	0
N/A	02.UWCM-RX2050-836-98-P	Cass Educational and Training Program (from Georgetown University)	UW Colleges	250,818	0
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				<u>409,692</u>	<u>0</u>
INTER-AMERICAN FOUNDATION:					
Other Federal Financial Assistance:					
N/A	04.F6-034-A1; F6-034-A2	Various Grants from Inter-American Foundation	UW-Madison	19,336	0
U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY:					
Other Federal Financial Assistance:					
N/A	07.11-20-0001	High Intensity Drug Trafficking Area	DOJ	447,131	0
PEACE CORPS:					
Other Federal Financial Assistance:					
N/A	08.164-91-4418	Peace Corps Recruitment Strategy	UW-Stevens Point	311	0
U.S. DEPARTMENT OF AGRICULTURE:					
10.025		Plant and Animal Disease, Pest Control, and Animal Care	DATCP	174,458	0
10.064		Forestry Incentives Program	DNR	37,300	0
10.069		Conservation Reserve Program	DNR	11,068	0
10.156		Federal-State Marketing Improvement Program	DATCP	72,343	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	24,773	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Extension	13,752	0
Total Federal Program 10.200				<u>38,525</u>	<u>0</u>
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	42,168	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from UW-Extension)	UW-Platteville	578	0
Total Federal Program 10.206				<u>42,746</u>	<u>0</u>
10.210		Food and Agricultural Sciences National Needs Graduate Fellowship Grants	UW-Madison	122,706	0
10.217		Higher Education Challenge Grants	UW-Platteville	29,863	0
10.217		Higher Education Challenge Grants	UW-River Falls	40,893	9,181
Total Federal Program 10.217				<u>70,756</u>	<u>9,181</u>
10.220		Higher Educational Multicultural Scholars Program	UW-River Falls	4,300	0
10.220		Higher Educational Multicultural Scholars Program	UW-Stout	4,927	0
Total Federal Program 10.220				<u>9,227</u>	<u>0</u>
10.350		Technical Assistance to Cooperatives	UW-River Falls	24,536	0
10.435		State Mediation Grants	DATCP	161,950	0
10.475		Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	DATCP	3,052,295	0
10.500		Cooperative Extension Service (Note 2)	UW-Madison	2,117,069	0
10.500		Cooperative Extension Service (Note 2) (from UW-Extension)	UW-Stevens Point	2,459	0
10.500		Cooperative Extension Service (Note 2) (from UW-Extension)	UW-Stout	(68,612)	0
10.500		Cooperative Extension Service (Note 2)	UW-Extension	9,313,837	0
Total Federal Program 10.500				<u>11,364,753</u>	<u>0</u>
10.550		Food Distribution (Note 8)	DPI	0	0
Food Stamp Cluster:					
10.551		Food Stamps (Notes 2, 5, 6)	DWD	11,431,174	0
10.561		State Administrative Matching Grants for Food Stamp Program (Notes 2, 6)	DWD	33,809,595	22,745,065
Total Food Stamp Cluster				<u>45,240,769</u>	<u>22,745,065</u>
Child Nutrition Cluster:					
10.553		School Breakfast Program	DPI	9,216,617	9,216,617
10.555		National School Lunch Program	DPI	71,301,906	71,301,906
10.556		Special Milk Program for Children	DPI	1,429,688	1,429,688
10.559		Summer Food Service Program for Children	DPI	2,270,937	2,192,826
Total Child Nutrition Cluster				<u>84,219,148</u>	<u>84,141,037</u>
10.557		Special Supplemental Nutrition Program for Women, Infants, and Children (Note 7)	DHFS	52,861,362	11,357,943
10.558		Child and Adult Care Food Program	DPI	28,870,967	28,469,305
10.560		State Administrative Expenses for Child Nutrition	DPI	1,849,047	0
10.564		Nutrition Education and Training Program	DPI	2,857	0
Emergency Food Assistance Cluster:					
10.568		Emergency Food Assistance Program (Administrative Costs) (Notes 2, 9)	DHFS	711,891	516,515
10.569		Emergency Food Assistance Program (Food Commodities) (Notes 2, 9)	DHFS	0	0
Total Emergency Food Assistance Cluster				<u>711,891</u>	<u>516,515</u>
10.570		Nutrition Program for the Elderly (Commodities)	DHFS	3,046,668	3,046,668
10.572		WIC Farmers' Market Nutrition Program	DHFS	383,088	1,830
10.652		Forestry Research	DNR	54,639	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
10.664		Cooperative Forestry Assistance	DNR	973,774	153,825
10.664		Cooperative Forestry Assistance	DATCP	1,275,504	0
10.664		Cooperative Forestry Assistance	Tourism	31,580	0
		Total Federal Program 10.664		<u>2,280,858</u>	<u>153,825</u>
10.665		Schools and Roads Cluster: Schools and Roads-Grants to States	DNR	2,099,723	2,099,723
		Total Schools and Roads Cluster		<u>2,099,723</u>	<u>2,099,723</u>
10.771		Rural Cooperative Development Grants	UW-Madison	7,947	7,947
10.901		Resource Conservation and Development	DNR	133,928	0
10.912		Environmental Quality Incentives Program	UW-Extension	26,604	0
10.913		Farmland Protection Program	DNR	121,722	0
10.960		Technical Agricultural Assistance	UW-Madison	312,470	0
10.962		International Training-Foreign Participant	UW-River Falls	3,211	0
10.962		International Training-Foreign Participant	UW-Extension	12,037	0
		Total Federal Program 10.962		<u>15,248</u>	<u>0</u>
N/A	10.FS40-7-0019; FS50-98-1010	Other Federal Financial Assistance: Conduct Eagle/Osprey Surveys	DNR	3,740	0
N/A	10.56A2-6-0044; FS5098-1031	Monitor Chequamegon Wolf Packs	DNR	7,500	0
N/A	10.5356A601083	Nicolet/Chequamegon National Forests	DNR	93,536	0
N/A	10.43-3AEU-x- 80020	Agricultural Information Collection, Summarization, and Analysis and Dissemination	DATCP	91,201	0
N/A	10.45-2EG6-6- 9199	Animal Health Newsletter	DATCP	1,059	0
N/A	10.12-25-A-3576	Cooperative Pesticide Recordkeeping Program	DATCP	22,502	0
N/A	10.12-25-A-2133	Market News Service	DATCP	13,500	0
N/A	10.12-25-A-3306	Shell Egg Surveillance Program	DATCP	27,811	0
N/A	10.74-5F48-7-132	Achieving Manure Recycling and Manure Spreader Calibration in Wisconsin	UW-Madison	3,967	0
N/A	10.AID-CSD-3204	Basic Ordering Agreement in Connection with Foreign Assistance Programs	UW-Madison	6,975	0
N/A	10.RBS-98-34	Case Studies of Equity Management Issues in Midwest Dairy Cooperatives with Aging Membership	UW-Madison	28,719	16,661
N/A	10.695F486106	Give Water a Hand-NRCS Earth Team Initiative	UW-Madison	1,395	0
N/A	10.74-5F48-7-132	Nutrient Management Farmer Clubs	UW-Madison	9,208	0
N/A	10.74-5F48-7-132	Encouraging Adoption of Agricultural Best Management Practices Through Drinking Water Testing and Education Programs (from UW-Extension)	UW-Stevens Point	14,060	0
N/A	10.695F4800239	Training of NRCS Field Office Staff in the Use of Geographic Information Systems	UW-Stevens Point	15,592	0
N/A	10.AGR dtd 11/3/97	Milwaukee Anti-Hunger, Nutrition and Empowerment Project	UW-Extension	(27,822)	0
		Subtotal Direct Programs		<u>237,734,542</u>	<u>152,565,700</u>
		Subgrants:			
10.217		Higher Education Challenge Grants (from Texas Tech University)	UW-Stout	19,352	0
10.443		Small Farmer Outreach Training and Technical Assistance Program (from Lac Courte Oreilles Ojibwa Community College)	UW-River Falls	568	0
10.500	10.98-EXCA-3- 0594	Cooperative Extension Service (Note 2) (from University of Nebraska)	UW-Platteville	4,244	0
N/A	10.P514834	UV-B Monitoring (from Colorado State University)	DNR	1,826	0
N/A	10.AGR dtd	Various Subgrants (from Cooperative Development Services)	UW-Madison	3,499	0
N/A	1/22/99: 12/2/99	National Network for Family Resiliency Program (from University of Florida)	UW-Madison	2	0
N/A	10.M26030	Minnesota and Wisconsin State Sustainable Agriculture Conference (from University of Nebraska)	UW-Madison	4,073	0
		Subtotal Subgrants		<u>33,564</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>237,768,106</u>	<u>152,565,700</u>
		U.S. DEPARTMENT OF COMMERCE:			
11.113		ITA Special Projects	UW-Platteville	(22)	0
11.303		Economic Development-Technical Assistance	UW-Milwaukee	93,810	0
11.303		Economic Development-Technical Assistance	UW-Stout	107,052	0
		Total Federal Program 11.303		<u>200,862</u>	<u>0</u>
11.405		Anadromous Fish Conservation Act Program	DNR	24,870	0
11.407		Interjurisdictional Fisheries Act of 1986	DNR	5,891	0
11.417		Sea Grant Support	DNR	1,361	0
11.419		Coastal Zone Management Administration Awards	DOA	1,078,105	744,481
11.550		Public Telecommunications Facilities-Planning and Construction	ECB	193,043	0
11.611		Manufacturing Extension Partnership	UW-Stout	479,190	100,492
N/A	11.40AANC90412 4	Other Federal Financial Assistance: Information Access System for Geodetic Control	UW-Madison	13,248	0
		Subtotal Direct Programs		<u>1,996,548</u>	<u>844,973</u>

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Subgrants:					
11.430		Undersea Research (from University of Connecticut)	UW-Milwaukee	6,457	0
11.611	11.AGR dtd 5/6/96; 7/30/99	Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Madison	99,046	0
11.611		Manufacturing Extension Partnership (from Wisconsin Center for Manufacturing and Productivity, Inc.)	UW-Extension	33,100	0
Subtotal Subgrants				<u>138,603</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF COMMERCE				<u>2,135,151</u>	<u>844,973</u>
U.S. DEPARTMENT OF DEFENSE:					
12.300		Basic and Applied Scientific Research	UW-Madison	(2,000)	0
12.401		National Guard Military Operations and Maintenance Projects	DMA	14,619,834	0
12.401		National Guard Military Operations and Maintenance Projects	DVA	15,978	0
Total Federal Program 12.401				<u>14,635,812</u>	<u>0</u>
12.404		National Guard Civilian Youth Opportunities Programs	DMA	1,975,938	0
12.420		Military Medical Research and Development	UW-Madison	45,860	0
Other Federal Financial Assistance:					
N/A	12.N3569795	Troops to Teachers	DVA	114,226	0
N/A	12.DAMD17-97-P-0471	Serotype Botulinum Toxin Type A, B, E, and F	UW-Madison	24,530	0
Subtotal Direct Programs				<u>16,794,366</u>	<u>0</u>
Subgrants:					
N/A	12.DACW76-98-P-0006	National Inventory Dams (from Association of State Dam Safety Officials)	DNR	1,700	0
N/A	12.AGR dtd 10/20/98; 10/15/99	Junior Science, Engineering and Humanities Symposium (from Academy of Applied Sciences)	UW-Madison	11,282	0
N/A	12.1996-1999	National Defense Science and Engineering Graduate Fellowship Program (from SCEEE Services Corporation)	UW-Madison	4,317	0
N/A	12.DAAH04-93-G-0285	Western Wisconsin Upper Michigan Symposium (from Academy of Applied Science)	UW-La Crosse	7,092	0
Subtotal Subgrants				<u>24,391</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF DEFENSE				<u>16,818,757</u>	<u>0</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
14.171		Manufactured Home Construction and Safety Standards	Commerce	81,832	0
14.228		Community Development Block Grants/State's Program (Notes 2, 10)	Commerce	39,984,189	39,170,873
14.231		Emergency Shelter Grants Program	DOA	1,857,140	1,730,592
14.235		Supportive Housing Program	DOA	1,879,634	1,815,055
14.239		HOME Investment Partnerships Program (Note 11)	DOA	13,552,353	12,978,540
14.241		Housing Opportunities for Persons with AIDS	DOA	487,181	475,123
14.511		Community Outreach Partnership Center Program	UW-Milwaukee	3,419	0
14.512		Community Development Work-Study Program	UW-Milwaukee	8,212	0
14.900		Lead-Based Paint Hazard Control in Privately-Owned Housing	DOA	1,483,233	1,409,223
Other Federal Financial Assistance:					
N/A	14.COPC-WI-97-021	Establishing a Community-University Outreach Partnership in Racine and Kenosha Counties	UW-Parkside	151,470	0
N/A	14.H(502)6016	Housing Debt Service (from UW System Admin)	UW-Stevens Point	28,632	0
N/A	14.H(502)3507	Federal Debt Service Subsidy	UW-Stout	15,290	0
Subtotal Direct Programs				<u>59,532,585</u>	<u>57,579,406</u>
Subgrants:					
14.218	14.CD4900051325 G007	Community Development Block Grants/Entitlement Grants (from City of Milwaukee)	UW-Milwaukee	9,924	0
14.218		Community Development Block Grants/Entitlement Grants (from Housing Authority of City of Milwaukee)	UW-Extension	(9,286)	0
14.228		Community Development Block Grants/State's Program (Note 2) (from City of Beloit)	UW-Whitewater	5,000	0
14.228	14.94LSGINOO2	Community Development Block Grants/State's Program (Note 2) (from Youth Resources of Southwestern Indiana)	UW-Extension	16,500	0
N/A	14.AGR dtd 4/26/99	Roar Club (from Madison Community Development Authority)	UW-Madison	17,130	0
Subtotal Subgrants				<u>39,268</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>59,571,853</u>	<u>57,579,406</u>
U.S. DEPARTMENT OF THE INTERIOR:					
Fish and Wildlife Cluster:					
15.605		Sport Fish Restoration (Note 6)	DNR	6,143,369	421,829
15.611		Wildlife Restoration (Note 6)	DNR	6,353,271	53,424
Total Fish and Wildlife Cluster				<u>12,496,640</u>	<u>475,253</u>
15.614		Coastal Wetlands Planning, Protection and Restoration Act	DNR	315,000	0
15.615		Cooperative Endangered Species Conservation Fund	DNR	82,855	0
15.616		Clean Vessel Act	DNR	57,060	16,098
15.617		Wildlife Conservation and Appreciation	DNR	218,759	0
15.618		Administrative Grants for Federal Aid in Sport Fish and Wildlife Restoration	UW-Stevens Point	83,310	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-La Crosse	1,137	0
15.808		U.S. Geological Survey-Research and Data Acquisition	UW-Extension	<u>112,866</u>	<u>4,773</u>
		Total Federal Program 15.808		<u>114,003</u>	<u>4,773</u>
15.810		National Cooperative Geologic Mapping Program	UW-Extension	8,800	5,519
15.904		Historic Preservation Fund Grants-In-Aid	SHS	621,941	135,505
15.916		Outdoor Recreation-Acquisition, Development and Planning	DNR	76,045	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	DNR	696,928	0
Other Federal Financial Assistance:					
N/A	15.1448-3971014	Black Tern Distribution and Nesting	DNR	(515)	0
N/A	15.1448-398979	Crex Meadows-Pine Barrens	DNR	2,047	0
N/A	15.AGF50-06-001;	Forest Management Service-Indian Lands	DNR	74,414	0
N/A	15.BIA				
N/A	15.1443CA628197	Ice Age Reserve	DNR	798,000	0
N/A	006				
N/A	15.1448-9821097	NAWCA-GHRA Phase II	DNR	5,312	0
N/A	15.1448-9821099	NAWCA-GHRA Phase III	DNR	16,865	0
N/A	15.1448-9821098	NAWCA-Pothole Phase II	DNR	435,268	0
N/A	15.1448-996902-II	NAWCA-South East Coastal II	DNR	204,713	0
N/A	15.301819J115	NAWCA-Superior Coastal Wetland Phase 1	DNR	4,420	0
N/A	15.1445CA03961	NBS-Habitat Association-Frogs/Toads	DNR	(9,863)	0
N/A	022				
N/A	15.3951006	Plan for Grassland Birds	DNR	1,129	0
N/A	GRBRD				
N/A	15.1448-3981104	St. Croix Zebra Mussel	DNR	10,015	0
N/A	15.PAA997004	Bureau of Land Management Youth Riparian Education Initiative	UW-Madison	27,777	0
N/A	15.14489110098J	Increasing Extension's Capacity to Provide Natural Resources and Environmental Management	UW-Madison	10,517	0
N/A	007				
N/A	15.AGR dtd	Intergovernmental Personnel Assignment Agreement	UW-Madison	52,595	0
N/A	7/20/99				
N/A	15.1443CA600048	Midwest Region GIS Field Technical Support Center	UW-Madison	72,989	0
N/A	045				
N/A	15.1448-98210-97-	Becoming an Outdoors Women Program	UW-Stevens Point	294	0
N/A	G056				
N/A	15.14-48-003-93-	CNR Diversity Coordinator	UW-Stevens Point	6,732	0
N/A	1024				
N/A	15.1448-32530-98-	Development of a Pre-Settlement Vegetation Model at Necedah National Wildlife Refuge	UW-Stevens Point	22	0
N/A	M076				
N/A	15.1448-03-97-964	Pathways Natural Resources Careers for Indian Youth	UW-Stevens Point	(9,109)	0
N/A	15.301810J064	Breeding Bird Monitoring Program	UW-Extension	2,490	0
N/A	15.1443CA628198	Ice Age National Scenic Trail	UW-Extension	10,237	0
N/A	007				
		Subtotal Direct Programs		<u>16,487,690</u>	<u>637,148</u>
Subgrants:					
N/A	15.CCDLK-23	Watershed Data (from The Nature Conservancy)	DNR	3,000	0
N/A	15.96-084	Give Water a Hand II (from National Fish and Wildlife Foundation)	UW-Madison	(1)	0
N/A	15.AGR dtd	U.S. Geological Survey Water Education Resource Review (from National Science Teachers Association)	UW-Madison	9,892	0
N/A	11/10/98				
		Subtotal Subgrants		<u>12,891</u>	<u>0</u>
		<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>		<u>16,500,581</u>	<u>637,148</u>
U.S. DEPARTMENT OF JUSTICE:					
16.000		State Forfeiture Sharing	DOT	139,679	0
16.000		State Forfeiture Sharing	DOJ	<u>437,146</u>	<u>0</u>
		Total Federal Program 16.000		<u>576,825</u>	<u>0</u>
16.523		Juvenile Accountability Incentive Block Grants	DOA	1,031,742	753,010
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States	DOA	1,487,760	1,324,133
16.543		Missing Children's Assistance	DOJ	291,197	53,146
16.548		Title V-Delinquency Prevention Program	DOA	435,608	435,608
16.549		Part E-State Challenge Activities	DOA	218,513	218,513
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOA	303,658	270,837
16.550		State Justice Statistics Program for Statistical Analysis Centers	DOJ	<u>154,000</u>	<u>0</u>
		Total Federal Program 16.550		<u>457,658</u>	<u>270,837</u>
16.554		National Criminal History Improvement Program	DOA	357,301	357,301
16.554		National Criminal History Improvement Program	DOJ	<u>36,597</u>	<u>0</u>
		Total Federal Program 16.554		<u>393,898</u>	<u>357,301</u>
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	DOJ	65,877	0
16.560		National Institute of Justice Research, Evaluation, and Development Project Grants	DOC	<u>16,434</u>	<u>0</u>
		Total Federal Program 16.560		<u>82,311</u>	<u>0</u>
16.574		Byrne Evaluation Partnership Program	DOA	28,102	28,102
16.575		Crime Victim Assistance (Note 2)	DOJ	3,485,237	3,327,525
16.576		Crime Victim Compensation	DOJ	590,247	0
16.579		Byrne Formula Grant Program	DOA	8,533,277	8,297,491
16.582		Crime Victim Assistance/Discretionary Grants	DOJ	55,453	0
16.586		Violent Offender Incarceration and Truth in Sentencing Incentive Grants	DOC	360,219	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
16.588		Violence Against Women Formula Grants (Note 2)	DOA	2,577,767	2,395,879
16.589		Rural Domestic Violence and Child Victimization Enforcement Grant Program	DOA	576,707	566,265
16.592		Local Law Enforcement Block Grants Program	DOT	59,564	0
16.592		Local Law Enforcement Block Grants Program	DOA	492,014	478,195
		Total Federal Program 16.592		<u>551,578</u>	<u>478,195</u>
16.593		Residential Substance Abuse Treatment for State Prisoners	DOA	621,113	612,987
16.598		State Identification Systems Grant Program	DOA	2,905	2,905
16.606		State Criminal Alien Assistance Program (Notes 2, 23)	DOC	2,351,849	0
16.607		Bulletproof Vest Partnership Program	DOT	36,758	25,063
16.710		Public Safety Partnership and Community Policing Grants	UW-Green Bay	14,820	0
16.710		Public Safety Partnership and Community Policing Grants	UW-Parkside	60,746	0
16.710		Public Safety Partnership and Community Policing Grants	UW-Stout	8,505	0
		Total Federal Program 16.710		<u>84,071</u>	<u>0</u>
16.712		Police Corps	DOA	70,353	5,652
16.727		Enforcing Underage Drinking Laws Program	DOT	539,998	533,816
Other Federal Financial Assistance:					
N/A	16.97-TT-VX-0006	1997 Closed-circuit Televising of Testimony of Children who are Victims of Abuse	DOA	24,050	24,050
N/A	16.99-88; 2000-95	Domestic Cannabis Eradication/Suppression Program	DOJ	335,389	166,350
N/A	16.96UMWX1286	Cops Universal Hiring Award	UW-Madison	39,355	0
N/A	16.97PRWX0422	Cops Problem-Solving Partnership	UW-Madison	22,033	0
		Subtotal Direct Programs		<u>25,861,973</u>	<u>19,876,828</u>
Subgrants:					
16.540		Juvenile Justice and Delinquency Prevention-Allocation to States (from Winnebago County)	UW-Oshkosh	60,480	0
16.548		Title V-Delinquency Prevention Program (from Winnebago County)	UW-Oshkosh	22,862	0
N/A	16.96-UM-WX-0400	Victim Advocate Project (from Racine County Office of the District Attorney)	UW-Parkside	5,712	0
N/A	16.J124C-0574	Oxford Prison Educational Program (from Federal Correction Institute-Oxford)	UW Colleges	84,480	0
		Subtotal Subgrants		<u>173,534</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF JUSTICE		<u>26,035,507</u>	<u>19,876,828</u>
U.S. DEPARTMENT OF LABOR:					
17.002		Labor Force Statistics	DWD	1,582,808	0
17.005		Compensation and Working Conditions	DWD	68,961	0
17.203		Labor Certification for Alien Workers	DWD	150,891	0
Employment Services Cluster:					
17.207		Employment Service	DWD	14,950,304	9,500
17.801		Disabled Veterans' Outreach Program	DWD	1,507,404	0
17.804		Local Veterans' Employment Representative Program	DWD	1,912,196	0
		Total Employment Services Cluster		<u>18,369,904</u>	<u>9,500</u>
17.225		Unemployment Insurance (Notes 2, 6, 12)	DWD	566,590,860	0
17.235		Senior Community Service Employment Program	DHFS	2,301,875	2,156,398
17.245		Trade Adjustment Assistance-Workers (Note 2)	DWD	10,128,689	0
17.247		Migrant and Seasonal Farmworkers	DWD	73,952	77,971
17.249		Employment Services and Job Training Pilots-Demonstrations and Research	DWD	3,578	0
17.249		Employment Services and Job Training Pilots-Demonstrations and Research	UW-Parkside	11,600	0
		Total Federal Program 17.249		<u>15,178</u>	<u>0</u>
JTPA Cluster:					
17.250		Job Training Partnership Act	DWD	15,563,062	14,789,531
17.246		Employment and Training Assistance-Dislocated Workers	DWD	11,704,915	9,952,771
17.246		Employment and Training Assistance-Dislocated Workers	UW-Superior	98,394	0
		Total JTPA Cluster		<u>27,366,371</u>	<u>24,742,302</u>
17.253		Welfare-to-Work Grants to States and Localities	DWD	2,289,126	2,385,385
17.255		Workforce Investment Act	DWD	46	0
17.504		Consultation Agreements	DHFS	2,766,693	0
17.504		Consultation Agreements	DWD	56,003	0
17.504		Consultation Agreements	Commerce	661,819	0
		Total Federal Program 17.504		<u>3,484,515</u>	<u>0</u>
17.600		Mine Health and Safety Grants	Commerce	123,325	0
17.802		Veterans' Employment Program	DWD	71,797	0
17.802		Veterans' Employment Program	DVA	124,758	0
		Total Federal Program 17.802		<u>196,555</u>	<u>0</u>
Other Federal Financial Assistance:					
N/A	17.E9454655	Basic Assistance Grant	DWD	158,031	0
N/A	17.E-9-4-0-0007	Youth Leadership Forum	UW-Whitewater	790	0
		Subtotal Direct Programs		<u>632,901,877</u>	<u>29,371,556</u>
Subgrants:					
17.250	17.00-74-NC	Job Training Partnership Act (from North Central Community Action Program)	DPI	5,838	0
17.250		Job Training Partnership Act (from Fox Valley Workforce Development Board)	UW-Oshkosh	318,899	0
17.250		Job Training Partnership Act (from South Central Wisconsin Private Industry Council)	UW-Whitewater	24,653	0

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**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	17.AGR dtd 2/28/99	High Road Regional Partnerships Project (from George Meany Center for Labor Studies)	UW-Madison	20,312	0
N/A	17.00-44	Workforce Development Center (from Racine County Human Services Department)	UW-Parkside	49,290	0
N/A	17.98-97-14	Youth Small Business Development Pilot (from Southeastern Wisconsin Private Industry Council)	UW-Parkside	10,000	0
		Subtotal Subgrants		<u>428,992</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF LABOR		<u>633,330,869</u>	<u>29,371,556</u>
U.S. DEPARTMENT OF STATE:					
Other Federal Financial Assistance:					
N/A	19.IA-ASDH- G8190316	Develop Courses and Collaborative Projects with the Far Eastern State University Law Institute	UW-Madison	15,393	0
Subgrants:					
N/A	19.AGR dtd 6/11/98	Project Ollin (from NAFSA Association of International Educators)	UW-Madison	18	0
N/A	19.AGR dtd 11/18/99; CK 212531	Community College Programs (from Youth for Understanding International Exchange)	UW Colleges	173,828	0
		Subtotal Subgrants		<u>173,846</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF STATE		<u>189,239</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
20.005		Boating Safety Financial Assistance	DNR	2,390,170	0
20.106		Airport Improvement Program	DOT	22,398,705	3,849,342
20.205		Highway Planning and Construction Cluster:			
		Highway Planning and Construction (Notes 2, 13, 22)	DOT	<u>498,860,507</u>	<u>6,518,182</u>
		Total Highway Planning and Construction Cluster		<u>498,860,507</u>	<u>6,518,182</u>
20.218		National Motor Carrier Safety	DOT	2,450,800	0
20.219		Recreational Trails Program	DNR	614,931	0
20.301		Railroad Safety	DOT	107,458	0
20.308		Local Rail Freight Assistance (Note 22)	DOT	0	0
20.312		High Speed Ground Transportation-Next Generation High Speed Rail Program	DOT	190,037	0
Federal Transit Cluster:					
20.500		Federal Transit-Capital Investment Grants	DOT	2,749,120	2,749,120
20.507		Federal Transit-Formula Grants	DOT	<u>3,440,800</u>	<u>3,388,876</u>
		Total Federal Transit Cluster		<u>6,189,920</u>	<u>6,137,996</u>
20.505		Federal Transit-Metropolitan Planning Grants	DOT	738,281	23,473
20.509		Formula Grants for Other Than Urbanized Areas	DOT	4,094,643	4,058,198
20.513		Capital Assistance Program for Elderly Persons and Persons with Disabilities	DOT	1,060,438	979,906
20.516		Job Access-Reverse Commute	DOT	70,709	0
Highway Safety Cluster:					
20.600		State and Community Highway Safety	DOT	3,193,444	1,468,334
20.601		Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	DOT	<u>1,393,490</u>	<u>691,680</u>
		Total Highway Safety Cluster		<u>4,586,934</u>	<u>2,160,014</u>
20.700		Pipeline Safety	PSC	170,524	0
20.703		Interagency Hazardous Materials Public Sector Training and Planning Grants	DMA	155,570	61,343
Other Federal Financial Assistance:					
N/A	20.DDEGFP-98-X- 00725	Dwight David Eisenhower Fellowship	UW-Madison	37,360	0
		Subtotal Direct Programs		<u>544,116,987</u>	<u>23,788,454</u>
Subgrants:					
N/A	20.AGR dtd 1/24/94	Air Pollution Control-Technical Training (from Southeastern Wisconsin Regional Planning Commission)	UW-Extension	82,057	0
		TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>544,199,044</u>	<u>23,788,454</u>
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:					
30.002		Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	DWD	962,146	0
FEDERAL MEDIATION AND CONCILIATION SERVICE:					
34.002		Labor Management Cooperation	DWD	65,064	0
34.002		Labor Management Cooperation	DER	<u>60,817</u>	<u>0</u>
		Total Federal Program 34.002		<u>125,881</u>	<u>0</u>
		TOTAL FEDERAL MEDIATION AND CONCILIATION SERVICE		<u>125,881</u>	<u>0</u>
U.S. GENERAL SERVICES ADMINISTRATION:					
39.003		Donation of Federal Surplus Personal Property (Note 14)	DOA	<u>0</u>	<u>0</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Aerospace Education Services Program	UW-La Crosse	28,424	0

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
Other Federal Financial Assistance:					
N/A	43.NAG5-9028	Earth Science Component for Academic Professional Enhancement	UW-Madison	584	0
N/A	43.AGR dtd 2/29/00	Inter-Institutional Agreement: Scopes for Schools (from UW-Milwaukee)	UW-Madison	(9,099)	0
N/A	43.NAG5-8250	Proposal to Construct an EOS Direct Broadcast Reception Facility at UW-Madison	UW-Madison	350,748	0
N/A	43.NAG-1-2209	Suomi Sessions, 10th AMS Conference on Atmospheric Radiation	UW-Madison	13,400	0
N/A	43.AGR dtd 3/2/00	Universe in the Park (from UW-Milwaukee)	UW-Madison	54	0
N/A	43.NGT5-40039	Wisconsin Space Grant Program	UW-Milwaukee	237,128	0
Subtotal Direct Programs				<u>621,239</u>	<u>0</u>
Subgrants:					
N/A	43.38-5152-95-96-WI	Collaborative Ukrainian Experiment, Education Project (from Louisiana State University Agricultural Center)	UW-Madison	(4,428)	0
N/A	43.AGR dtd 5/14/99; CK 9068; CK 11672	NASA Sharp Plus Research Apprenticeship Program (from Quality Education for Minorities Network)	UW-Madison	60,983	0
N/A	43.ED-90168.01-97A	Space Projects and Research by Kids (from Space Telescope Science Institute)	UW-Madison	2,379	0
Subtotal Subgrants				<u>58,934</u>	<u>0</u>
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				<u>680,173</u>	<u>0</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:					
45.012		Promotion of the Arts-Museums	UW-Madison	1	0
45.025		Promotion of the Arts-Partnership Agreements	Arts Board	533,277	174,946
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	DVA	5,617	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	9,333	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Eau Claire	1,998	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Oshkosh	796	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Parkside	4,569	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Platteville	2,000	0
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-River Falls	758	0
45.129		Promotion of the Humanities-Federal/State Partnership (Note 2)	Wis Humanities Council	563,977	5,000
Total Federal Program 45.129				<u>589,048</u>	<u>5,000</u>
45.149		Promotion of the Humanities-Division of Preservation and Access	SHS	78,102	0
45.163		Promotion of the Humanities-Seminars and Institutes	UW-Milwaukee	116,237	0
45.163		Promotion of the Humanities-Seminars and Institutes	UW-River Falls	2,877	0
Total Federal Program 45.163				<u>119,114</u>	<u>0</u>
45.301		Institute of Museum and Library Services	DVA	30,583	0
45.301		Institute of Museum and Library Services	SHS	1,537	0
Total Federal Program 45.301				<u>32,120</u>	<u>0</u>
45.310		State Library Program (Note 2)	DPI	3,030,520	1,135,346
45.312		Institute of Museum and Library Services-National Leadership Grants	UW-Milwaukee	59,050	0
Other Federal Financial Assistance:					
N/A	45.LL-80131-98	Africana Image and Sound Database	UW-Madison	82,308	0
N/A	45.IC-90170-99	Detailed Condition Survey of Painting Collection	UW-Madison	16,476	0
N/A	45.IC-70264-97	Research to Improve the Conservation of Biological Communities Threatened by Reinvasions	UW-Madison	14,604	0
N/A	45.9944006124	Two Catalogues from the Permanent Collection: Indian Miniature Paintings and Ancient Collection	UW-Madison	17,291	0
Subtotal Direct Programs				<u>4,571,911</u>	<u>1,315,292</u>
Subgrants:					
45.025		Promotion of the Arts-Partnership Agreements (from Heartland Arts Fund)	UW-Eau Claire	5,000	0
45.130	45.AGR dtd 8/6/99	Promotion of the Humanities-Challenge Grants (from Indiana University)	UW-Whitewater	8,280	0
N/A	45.AGR dtd 11/1/98	Preservation Project (from Committee on Institutional Cooperation)	UW-Madison	51,902	0
Subtotal Subgrants				<u>65,182</u>	<u>0</u>
TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				<u>4,637,093</u>	<u>1,315,292</u>
NATIONAL SCIENCE FOUNDATION:					
47.049		Mathematical and Physical Sciences	UW-Madison	376,051	0
47.050		Geosciences	UW-Eau Claire	1,383	0
47.070		Computer and Information Science and Engineering	UW-Madison	88,200	0
47.074		Biological Sciences	UW-Milwaukee	7,970	0
47.076		Education and Human Resources	UW-Madison	1,243,216	78,680
47.076		Education and Human Resources	UW-Milwaukee	195,917	0
47.076		Education and Human Resources	UW-Eau Claire	(321)	0
47.076		Education and Human Resources	UW-La Crosse	78,728	0

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
47.076		Education and Human Resources	UW-Oshkosh	32,558	0
47.076		Education and Human Resources	UW-Parkside	4,588	0
47.076		Education and Human Resources	UW-River Falls	60,545	0
47.076		Education and Human Resources	UW-Stevens Point	103,745	0
47.076		Education and Human Resources	UW-Superior	(50)	0
47.076		Education and Human Resources	UW Colleges	18,050	0
47.076		Education and Human Resources	UW-Extension	(7,756)	0
Total Federal Program 47.076				<u>1,729,220</u>	<u>78,680</u>
Other Federal Financial Assistance:					
N/A	47.EEC-8721545	Diversity and Cultural Change: Manufacturing Engineering Education for the Future	UW-Madison	(11)	0
N/A	47.DGE-9616188	Graduate Research Fellowship Support Grant	UW-Madison	(16,004)	0
N/A	47.EEC-9633800	Integrating Teaching and Research: Engineering Education Scholars Program	UW-Madison	10,903	0
N/A	47.DEB-9726691;	Intergovernmental Personnel Assignment Agreement	UW-Madison	13,323	0
N/A	SBE-9523939				
N/A	47.DMS-9256439	Mathematical Sciences: Traineeships in Mathematics and Computation in Engineering	UW-Madison	84,752	0
Subtotal Direct Programs				<u>2,295,787</u>	<u>78,680</u>
Subgrants:					
47.049	47.USM-0111717106-BIO	Mathematical and Physical Sciences (from Southern Mississippi University)	UW-Stevens Point	11,169	0
47.076		Education and Human Resources (from Wisconsin Academy of Science, Arts and	UW-Eau Claire	23,853	0
47.076		Education and Human Resources (from American Geological Institute)	UW-Milwaukee	49,690	0
47.076		Education and Human Resources (from Milwaukee Public Schools)	UW-Milwaukee	229,394	0
47.076		Education and Human Resources (from Louisiana State University)	UW-La Crosse	4,026	0
47.076		Education and Human Resources (from Arizona State University)	UW-River Falls	157,816	0
47.076		Education and Human Resources (from University of Minnesota)	UW-River Falls	40,038	0
47.076		Education and Human Resources (from Milwaukee Area Technical College)	UW-Stout	55,679	0
N/A	47.468021	Student Travel Grants (from Committee on Institutional Cooperation)	UW-Madison	5,000	0
N/A	47.30374	Biotechnology Technicians for the Future (from Madison Area Technical College)	UW-Madison	7,221	0
N/A	47.110148	Data Management for NPACI (from University of New Mexico)	UW-Madison	(1,223)	0
Subtotal Subgrants				<u>582,663</u>	<u>0</u>
TOTAL NATIONAL SCIENCE FOUNDATION				<u>2,878,450</u>	<u>78,680</u>
U.S. SECURITIES AND EXCHANGE COMMISSION:					
Other Federal Financial Assistance:					
N/A	58.AGR dtd 4/6/00	Intergovernmental Personnel Assignment Agreement	UW-Madison	<u>16,729</u>	<u>0</u>
U.S. SMALL BUSINESS ADMINISTRATION:					
59.005		Business Development Assistance to Small Business	UW-Oshkosh	855	0
59.037		Small Business Development Center	UW-Madison	70,589	0
59.037		Small Business Development Center (from UW-Extension)	UW-Milwaukee	83,438	0
59.037		Small Business Development Center (from UW-Extension)	UW-Eau Claire	10,358	0
59.037		Small Business Development Center (from UW-Extension)	UW-Green Bay	59,452	0
59.037		Small Business Development Center (from UW-Extension)	UW-La Crosse	27,928	0
59.037		Small Business Development Center (from UW-Extension)	UW-Oshkosh	6,457	0
59.037		Small Business Development Center (from UW-Extension)	UW-Parkside	43,213	0
59.037		Small Business Development Center (from UW-Extension)	UW-Platteville	3,836	0
59.037		Small Business Development Center (from UW-Extension)	UW-River Falls	9,629	0
59.037		Small Business Development Center (from UW-Extension)	UW-Stevens Point	12,976	0
59.037		Small Business Development Center (from UW-Extension)	UW-Superior	5,056	0
59.037		Small Business Development Center (from UW-Extension)	UW-Whitewater	209,038	0
59.037		Small Business Development Center	UW-Extension	<u>1,175,563</u>	<u>0</u>
Total Federal Program 59.037				<u>1,717,533</u>	<u>0</u>
TOTAL U.S. SMALL BUSINESS ADMINISTRATION				<u>1,718,388</u>	<u>0</u>
SMITHSONIAN INSTITUTION:					
Other Federal Financial Assistance:					
N/A	60.F9936CC10615	Intergovernmental Personnel Assignment Agreement to Provide Onsite Expertise and Advisement	UW-Madison	63,477	0
U.S. DEPARTMENT OF VETERANS AFFAIRS:					
64.014		Veterans State Domiciliary Care	DVA	531,585	0
64.015		Veterans State Nursing Home Care	DVA	9,873,153	0
64.024		VA Homeless Providers Grant and Per Diem Program	DVA	361,231	0
64.101		Burial Expenses Allowance for Veterans	DVA	72,576	0
64.124		All-Volunteer Force Educational Assistance	DWD	222,218	0
64.203		State Cemetery Grants	DVA	657,717	0
Other Federal Financial Assistance:					
N/A	64.V101(223B) P-4066	Reimbursement Contract-Educational Approval Board	DVA	252,468	0
N/A	64.IPA dtd 2/27/97	Intergovernmental Personnel Assignment Agreement	UW-Madison	487,672	0
N/A	3/22/00				
N/A	64.V69DP-2515	Specialized Radiologist Services	UW-Madison	<u>428,854</u>	<u>0</u>
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS				<u>12,887,474</u>	<u>0</u>

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
66.001		Air Pollution Control Program Support	DNR	3,547,628	0
66.032		State Indoor Radon Grants	DHFS	224,090	163,006
66.419		Water Pollution Control-State and Interstate Program Support	DNR	13,256	0
66.432		State Public Water System Supervision	DNR	3,087,875	0
66.433		State Underground Water Source Protection	DNR	106,100	0
66.454		Water Quality Management Planning	DNR	458,437	99,827
66.458		Capitalization Grants for State Revolving Funds (Note 15)	DNR	18,127,577	17,416,908
66.460		Nonpoint Source Implementation Grants	DNR	3,080,547	2,434,904
66.461		Wetlands Grants	DNR	177,221	0
66.463		Water Quality Cooperative Agreements	DNR	484,231	201,276
66.467		Wastewater Operator Training Grant Program (Technical Assistance)	DNR	36,000	0
66.468		Capitalization Grants for Drinking Water State Revolving Fund (Note 15)	DNR	17,398,275	16,323,327
66.469		Great Lakes Program	DNR	132,157	0
66.500		Environmental Protection-Consolidated Research	DHFS	401,006	399,860
66.500		Environmental Protection-Consolidated Research	DNR	168,212	0
		Total Federal Program 66.500		<u>569,218</u>	<u>399,860</u>
66.501		Air Pollution Control Research	DOA	4,529	2,651
66.600		Environmental Protection Consolidated Grants-Program Support	DNR	1,011,455	0
66.605		Performance Partnership Grants (Note 2)	DNR	5,776,178	182,851
66.605		Performance Partnership Grants (Note 2)	DATCP	259	0
		Total Federal Program 66.605		<u>5,776,437</u>	<u>182,851</u>
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DHFS	16,735	0
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DOA	29,799	10,717
66.606		Surveys, Studies, Investigations and Special Purpose Grants	DNR	1,068,104	40,146
		Total Federal Program 66.606		<u>1,114,638</u>	<u>50,863</u>
66.608		One Stop Reporting	DNR	292,776	0
66.700		Consolidated Pesticide Enforcement Cooperative Agreements	DATCP	680,121	0
66.701		Toxic Substances Compliance Monitoring Cooperative Agreements	DHFS	99,200	0
66.701		Toxic Substances Compliance Monitoring Cooperative Agreements	DNR	76,262	0
		Total Federal Program 66.701		<u>175,462</u>	<u>0</u>
66.707		TSCA Title IV State Lead Grants-Certification of Lead-Based Paint Professionals	DHFS	328,476	0
66.708		Pollution Prevention Grants Program	DNR	81,608	18,910
66.708		Pollution Prevention Grants Program	UW-Green Bay	11,564	0
66.708		Pollution Prevention Grants Program (from UW-Extension)	UW-La Crosse	15,411	0
66.708		Pollution Prevention Grants Program	UW-Extension	7,865	0
		Total Federal Program 66.708		<u>116,448</u>	<u>18,910</u>
66.801		Hazardous Waste Management State Program Support	DNR	1,955,048	0
66.802		Superfund State Site-Specific Cooperative Agreements (Note 2)	DNR	3,325,605	0
66.804		State and Tribal Underground Storage Tanks Program	Commerce	98,281	0
66.805		Leaking Underground Storage Tank Trust Fund Program	DNR	1,162,053	0
66.808		Solid Waste Management Assistance	Commerce	33,859	0
66.808		Solid Waste Management Assistance	UW-Extension	17,010	0
		Total Federal Program 66.808		<u>50,869</u>	<u>0</u>
66.809		Superfund State Core Program Cooperative Agreements	DNR	865,998	0
Other Federal Financial Assistance:					
N/A	66.G8-W20015	Pesticide Data Program	DATCP	56,579	0
N/A	66.X 826956	Development of Pollution Prevention Material for the Printing Industry	UW-Madison	31	0
N/A	66.CX 826881	Farm and Home Source Water Protection	UW-Madison	66,742	0
N/A	66.U-915030	Fellowship Expense Allocation	UW-Madison	7,954	0
N/A	66.U-915164; U-915162	Graduate Fellowship	UW-Madison	13,535	0
N/A	66.U-915623	Star Fellowship Agreement	UW-Madison	12,509	0
N/A	66.C X826455	Underground Tank Technology Update Newsletter	UW-Madison	81,294	0
N/A	66.X-975090	Using Farm Models to Develop a Risk Management Tool for Apple Growers	UW-Madison	11,055	0
N/A	66.	Various Fellowship Awards	UW-Madison	84,521	0
N/A	66.X 826956-01-1	Development of Pollution Prevention Material for the Printing Industry	UW-Green Bay	3,632	0
N/A	66.GL005702-01	Mercury Education Program for Schools	UW-Extension	16,392	11,767
		Subtotal Direct Programs		<u>64,755,052</u>	<u>37,306,150</u>
Subgrants:					
66.500	66.96-144	Environmental Protection-Consolidated Research (from University of Illinois)	UW-Extension	65,836	0
66.701	66.970623Z1	Toxic Substances Compliance Monitoring Cooperative Agreements (from Michigan Technological University)	UW-Extension	28,599	0
66.950		Environmental Education and Training Program (from North American Association for Environmental Education)	UW-Stevens Point	161,377	2,500
N/A	66.GL-RAPIDS	Rapids (from Great Lakes Commission)	DNR	101,114	0
N/A	66.AGR dtd 7/12/99	Implementation of Area-Wide Integrated Farming Program (from Lodi Woodbridge Winegrape Commission)	UW-Madison	9,436	0
N/A	66.960238Z1	Biosynthesis of Polyhydroxyalkanoate Polymers from Industrial Wastewater (from Michigan Technological University)	UW-Madison	46,423	0
N/A	66.NFIPME ID 77	Partnership to Promote Healthy Homes by Reducing Indoor Pesticide Risk (from National Center for IPM Education)	UW-Madison	1,499	0
N/A	66.96-144	ETI-Virtual National Resource Center for Printing (from University of Illinois-Urbana-Champaign)	UW-Madison	32,422	0

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	66.96-144	ETI-Virtual National Resource Center for Printing (from University of Illinois-Urbana-Champaign)	UW-Green Bay	26,373	0
N/A	66.CT827716-01	American Indian Air Quality Training Programs (from Northern Arizona University)	UW-Stevens Point	17,870	0
		Subtotal Subgrants		490,949	2,500
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>65,246,001</u>	<u>37,308,650</u>
U.S. DEPARTMENT OF ENERGY:					
81.039		National Energy Information Center	DOA	7,566	0
81.041		State Energy Program	DOA	990,452	275,744
81.042		Weatherization Assistance for Low-Income Persons	DOA	5,274,756	4,702,474
81.052		Energy Conservation for Institutional Buildings	DOA	205,613	33,650
81.086		Conservation Research and Development	DOA	14,512	13,097
81.087		Renewable Energy Research and Development	DOA	10	0
81.105		National Industrial Competitiveness through Energy, Environment, and Economics	DOA	262,835	256,250
81.119		State Energy Program Special Projects	DOA	85,122	71,471
Other Federal Financial Assistance:					
N/A	81.	Alternative Fuel Database	DOA	49,946	49,946
N/A	81.	Petroleum Violation Escrow Funds	DOA	5,043,319	2,191,930
		Subtotal Direct Programs		11,934,131	7,594,562
Subgrants:					
81.079	81.CGLG-97-001	Regional Biomass Energy Programs (from Council of Great Lakes Governors)	DOA	47,847	5,417
N/A	81.963412402	Services Support of Research Assistant at Desy for the Hera/Zeus Project (from Aronne National Laboratory)	UW-Madison	33,893	0
N/A	81.354557-AQ5	Repair of the North Slope of Alaska Atmospheric Emitted Radiance Interometer (from Battelle Memorial Institute)	UW-Madison	19,522	0
N/A	81.505563	Molded Plastic Endcap Assemblies for the CDF IMU Changer Upgrade (from Fermi National Accelerator Laboratory)	UW-Madison	6,943	0
N/A	81.LTR dtd 8/6/97; 8/5/98	Computational Science Graduate Fellowship Program (from Krell Institute)	UW-Madison	28,537	0
N/A	81.AGR dtd 2/25/99	Consulting Agreement (from Siemens Solar Industries)	UW-Madison	523	0
N/A	81.W31109ENG38	Mikkelson Argonne (from University of Chicago)	UW-Stout	27,817	0
		Subtotal Subgrants		165,082	5,417
TOTAL U.S. DEPARTMENT OF ENERGY				<u>12,099,213</u>	<u>7,599,979</u>
U.S. INFORMATION AGENCY:					
Other Federal Financial Assistance:					
N/A	82.IA-AEJM-G4190430	Partnership Between UW-Milwaukee and Mohammed Rabat in Morocco	UW-Milwaukee	(62)	0
N/A	82.IA-PELJ-G9190238	Central and Eastern Europe Training Programs	UW-Eau Claire	69,116	0
		Subtotal Direct Programs		69,054	0
Subgrants:					
82.032		Cultural Exchange (from Institute of Arts International)	UW-Milwaukee	7,701	0
TOTAL U.S. INFORMATION AGENCY				<u>76,755</u>	<u>0</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY:					
83.011		Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act of 1986	DMA	69,716	0
83.105		Community Assistance Program-State Support Services Element	DMA	239,611	239,611
83.505		State Disaster Preparedness Grants	DMA	18,495	0
83.534		Emergency Management-State and Local Assistance	DMA	960,359	705,735
83.535		Mitigation Assistance	DMA	21,701	0
83.543		Individual and Family Grants	DMA	37,903	0
83.544		Public Assistance Grants	DMA	6,518,411	6,414,263
83.547		First Responder Counter-Terrorism Training Assistance	WTCBSB	80,071	0
83.547		First Responder Counter-Terrorism Training Assistance	DMA	128,350	0
		Total Federal Program 83.547		208,421	0
83.548		Hazard Mitigation Grant (Note 2)	DMA	4,282,619	4,209,999
83.550		National Dam Safety Program	DNR	22,027	0
83.551		Project Impact-Building Disaster Resistant Communities	DMA	30,404	0
83.552		Emergency Management Performance Grants	DMA	1,164,101	482,074
Other Federal Financial Assistance:					
N/A	83.11X-9034-9053-2-4120D	Comprehensive Environmental Response, Compensation and Liability Act of 1980	DMA	2,928	0
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				<u>13,576,696</u>	<u>12,051,682</u>
U.S. DEPARTMENT OF EDUCATION:					
84.002		Adult Education-State Grant Program	WTCBSB	5,774,855	4,780,424
84.010		Title I Grants to Local Educational Agencies	DPI	124,909,782	123,552,878

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.011		Migrant Education-Basic State Grant Program	DPI	582,930	337,866
84.013		Title I Program for Neglected and Delinquent Children	DPI	1,190,911	1,172,666
84.015		National Resource Centers and Fellowships Program for Language and Area or Lanquage and International Studies (Note 2)	UW-Madison	1,695,412	0
84.015		National Resource Centers and Fellowships Program for Language and Area or Lanquage and International Studies (Note 2)	UW-Milwaukee	301,359	0
		Total Federal Program 84.015		<u>1,996,771</u>	<u>0</u>
84.016		Undergraduate International Studies and Foreign Language Programs	UW-Madison	29,070	0
84.016		Undergraduate International Studies and Foreign Language Programs	UW-Whitewater	42,699	0
		Total Federal Program 84.016		<u>71,769</u>	<u>0</u>
84.017		International Research and Studies	UW-Madison	12,284	0
84.021		International: Overseas-Group Projects Abroad	UW-Parkside	63,700	0
		Special Education Cluster:			
84.027		Special Education-Grants to States	DPI	70,492,879	62,559,279
84.173		Special Education-Preschool Grants	DPI	9,432,799	9,033,452
		Total Special Education Cluster		<u>79,925,678</u>	<u>71,592,731</u>
84.029		Special Education-Personnel Development and Parent Training	DPI	36,099	12,908
84.029		Special Education-Personnel Development and Parent Training	UW-Madison	543,421	0
84.029		Special Education-Personnel Development and Parent Training	UW-Milwaukee	141,591	0
		Total Federal Program 84.029		<u>721,111</u>	<u>12,908</u>
84.031		Higher Education-Institutional Aid	UW-River Falls	51,706	0
84.031		Higher Education-Institutional Aid	UW-Whitewater	87,870	0
		Total Federal Program 84.031		<u>139,576</u>	<u>0</u>
		TRIO Cluster:			
84.042		TRIO-Student Support Services	UW-Madison	208,236	0
84.042		TRIO-Student Support Services	UW-Milwaukee	200,386	0
84.042		TRIO-Student Support Services	UW-Eau Claire	255,992	0
84.042		TRIO-Student Support Services	UW-Green Bay	262,202	0
84.042		TRIO-Student Support Services	UW-La Crosse	268,463	0
84.042		TRIO-Student Support Services	UW-Oshkosh	268,035	0
84.042		TRIO-Student Support Services	UW-Parkside	204,747	0
84.042		TRIO-Student Support Services	UW-Platteville	258,575	0
84.042		TRIO-Student Support Services	UW-River Falls	202,899	0
84.042		TRIO-Student Support Services	UW-Stevens Point	234,955	0
84.042		TRIO-Student Support Services	UW-Stout	213,148	0
84.042		TRIO-Student Support Services	UW-Superior	202,019	0
84.042		TRIO-Student Support Services	UW-Whitewater	215,077	0
84.042		TRIO-Student Support Services	UW Colleges	411,128	0
84.044		TRIO-Talent Search	DPI	210,874	0
84.044		TRIO-Talent Search	UW-Milwaukee	202,922	0
84.044		TRIO-Talent Search	UW-Stout	229,308	0
84.044		TRIO-Talent Search	UW-Whitewater	192,025	0
84.047		TRIO-Upward Bound	UW-Madison	55,998	0
84.047		TRIO-Upward Bound	UW-Milwaukee	511,306	0
84.047		TRIO-Upward Bound	UW-Eau Claire	269,680	0
84.047		TRIO-Upward Bound	UW-Green Bay	491,023	0
84.047		TRIO-Upward Bound	UW-La Crosse	366,539	0
84.047		TRIO-Upward Bound	UW-River Falls	92,148	0
84.047		TRIO-Upward Bound	UW-Stevens Point	343,347	0
84.047		TRIO-Upward Bound	UW-Superior	101,132	0
84.047		TRIO-Upward Bound	UW-Whitewater	252,572	0
84.047		TRIO-Upward Bound	UW Colleges	248,282	0
84.066		TRIO-Educational Opportunity Centers	UW-Eau Claire	235,916	0
84.066		TRIO-Educational Opportunity Centers (from UW-Eau Claire)	UW Colleges	(3,800)	0
84.217		McNair Post-Baccalaureate Achievement	UW-Madison	208,536	0
84.217		McNair Post-Baccalaureate Achievement	UW-Milwaukee	183,590	0
84.217		McNair Post-Baccalaureate Achievement	UW-Eau Claire	46,041	0
84.217		McNair Post-Baccalaureate Achievement	UW-River Falls	67,361	0
84.217		McNair Post-Baccalaureate Achievement	UW-Superior	99,991	0
84.217		McNair Post-Baccalaureate Achievement	UW-Whitewater	181,899	0
		Total TRIO Cluster		<u>7,992,552</u>	<u>0</u>
84.048		Vocational Education-Basic Grants to States	WTCSB	21,258,870	21,274,290
84.069		Leveraging Educational Assistance Partnership	HEAB	532,656	0
84.078		Special Education-Postsecondary Education Programs for Persons with Disabilities	UW-Milwaukee	171,499	0
84.086		Special Education-Program for Severely Disabled Children	UW-Milwaukee	16,282	0
84.086		Special Education-Program for Severely Disabled Children (from UW-Madison)	UW-Milwaukee	6,542	0
84.086		Special Education-Program for Severely Disabled Children (from UW-Milwaukee)	UW-Stevens Point	162	0
		Total Federal Program 84.086		<u>22,986</u>	<u>0</u>
84.116		Fund for the Improvement of Postsecondary Education	UW-Milwaukee	11,646	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Green Bay	62,059	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Stevens Point	858,001	0
84.116		Fund for the Improvement of Postsecondary Education	UW-Superior	14,409	0
		Total Federal Program 84.116		<u>946,115</u>	<u>0</u>
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2)	DWD	49,134,024	6,126,970
84.128		Rehabilitation Services-Service Projects	UW-La Crosse	59,563	0

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**STATE OF WISCONSIN  
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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.129		Rehabilitation Long-Term Training	UW-Madison	197,856	0
84.129		Rehabilitation Long-Term Training	UW-Stout	<u>273,130</u>	<u>0</u>
		Total Federal Program 84.129		<u>470,986</u>	<u>0</u>
84.153		International Business Education	UW-Whitewater	64,139	0
84.154		Public Library Construction and Technology Enhancement	DPI	102,387	102,387
84.158		Secondary Education and Transitional Services for Youth with Disabilities	DPI	173,729	139,342
84.161		Rehabilitation Services-Client Assistance Program	DHFS	36,407	0
84.161		Rehabilitation Services-Client Assistance Program	DATCP	<u>128,261</u>	<u>0</u>
		Total Federal Program 84.161		<u>164,668</u>	<u>0</u>
84.162		Immigrant Education	DPI	544,386	530,892
84.169		Independent Living-State Grants	DWD	318,335	318,335
84.170		Javits Fellowships	UW-Madison	227,218	0
84.170		Javits Fellowships	UW-Milwaukee	<u>23,233</u>	<u>0</u>
		Total Federal Program 84.170		<u>250,451</u>	<u>0</u>
84.177		Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	DWD	359,963	0
84.181		Special Education-Grants for Infants and Families with Disabilities	DHFS	5,951,686	5,648,448
84.184		Safe and Drug-Free Schools and Communities-National Programs	UW-Whitewater	97,840	0
84.185		Byrd Honors Scholarships	DPI	758,375	758,375
84.186		Safe and Drug-Free Schools and Communities-State Grants	DHFS	1,448,607	1,295,359
84.186		Safe and Drug-Free Schools and Communities-State Grants	DPI	<u>7,098,259</u>	<u>6,575,379</u>
		Total Federal Program 84.186		<u>8,546,866</u>	<u>7,870,738</u>
84.187		Supported Employment Services for Individuals with Severe Disabilities	DWD	661,708	0
84.194		Bilingual Education Support Services	DPI	90,732	0
84.195		Bilingual Education-Professional Development (from UW-La Crosse)	UW-Eau Claire	15,854	0
84.195		Bilingual Education-Professional Development	UW-La Crosse	109,201	0
84.195		Bilingual Education-Professional Development (from UW-La Crosse)	UW-Stout	<u>28,853</u>	<u>0</u>
		Total Federal Program 84.195		<u>153,908</u>	<u>0</u>
84.196		Education for Homeless Children and Youth	DPI	486,085	407,586
84.200		Graduate Assistance in Areas of National Need	UW-Madison	88,738	0
84.200		Graduate Assistance in Areas of National Need	UW-Milwaukee	<u>127,762</u>	<u>0</u>
		Total Federal Program 84.200		<u>216,500</u>	<u>0</u>
84.213		Even Start-State Educational Agencies	DPI	1,838,208	1,706,936
84.215		Fund for the Improvement of Education	DPI	169,871	103,623
84.216		Capital Expenses	DPI	315,320	315,320
84.220		Centers for International Business Education	UW-Madison	240,458	0
84.220		Centers for International Business Education	UW-Parkside	1,500	0
84.220		Centers for International Business Education (from UW-Madison)	UW-Whitewater	<u>1,020</u>	<u>0</u>
		Total Federal Program 84.220		<u>242,978</u>	<u>0</u>
84.224		Assistive Technology	DHFS	308,734	247,305
84.234		Projects with Industry	UW-Stout	240,907	0
84.243		Tech-Prep Education	WTCSB	2,271,702	1,063,129
84.252		Urban Community Service	UW-Milwaukee	169	0
84.264		Rehabilitation Training-Continuing Education	UW-Stout	642,808	115,725
84.265		Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	DWD	132,119	0
84.272		National Early Intervention Scholarship and Partnership	DPI	388,681	122,200
84.276		Goals 2000-State and Local Education Systemic Improvement Grants	DPI	9,745,308	8,941,606
84.278		School-to-Work Opportunities Act of 1994	DWD	1,527,217	1,176,964
84.281		Eisenhower Professional Development State Grants	DPI	4,850,261	4,440,435
84.281		Eisenhower Professional Development State Grants (from UW Center Washington County)	UW-Madison	13,858	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Madison	(10,461)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Milwaukee	(53,014)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Eau Claire	21,745	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Green Bay	(20,411)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-La Crosse	(28,354)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Oshkosh	3,436	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Parkside	(17,719)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Platteville	2,366	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-River Falls	(16,406)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Stevens Point	2,677	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Stout	(16,775)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Superior	(10,331)	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW-Whitewater	13,466	0
84.281		Eisenhower Professional Development State Grants (from UW System Admin)	UW Colleges	23,373	0
84.281		Eisenhower Professional Development State Grants	UW System Admin	<u>930,112</u>	<u>104,505</u>
		Total Federal Program 84.281		<u>5,687,823</u>	<u>4,544,940</u>
84.282		Charter Schools	DPI	3,064,402	2,788,767
84.293		Foreign Language Assistance	DPI	79,815	36,510
84.298		Innovative Education Program Strategies	DPI	7,025,703	5,922,591
84.314		Even Start-Statewide Family Literacy Program	WTCSB	18,635	0
84.318		Technology Literacy Challenge Fund Grants (Note 2)	DPI	6,555,773	6,048,875
84.324		Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities	UW-Milwaukee	109,180	0

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Madison	152,209	15,000
84.325		Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities	UW-Milwaukee	186,944	0
		Total Federal Program 84.325		<u>339,153</u>	<u>15,000</u>
84.330		Advanced Placement Incentive Program	DPI	47,585	0
84.331		Grants to States for Incarcerated Youth Offenders	DOC	161,719	0
84.332		Comprehensive School Reform Demonstration	DPI	2,097,030	1,974,477
84.333		Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	UW-Stout	78,940	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	DPI	347,142	50,000
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Milwaukee	307,638	0
84.334		Gaining Early Awareness and Readiness for Undergraduate Programs	UW-Eau Claire	<u>110,198</u>	<u>0</u>
		Total Federal Program 84.334		<u>764,978</u>	<u>50,000</u>
84.335		Child Care Access Means Parents in School	UW-Oshkosh	26,214	0
84.335		Child Care Access Means Parents in School	UW-Stevens Point	<u>19,878</u>	<u>0</u>
		Total Federal Program 84.335		<u>46,092</u>	<u>0</u>
84.336		Teacher Quality Enhancement Grants	DPI	293,138	22,263
84.336		Teacher Quality Enhancement Grants	UW-Milwaukee	<u>385,551</u>	<u>0</u>
		Total Federal Program 84.336		<u>678,689</u>	<u>22,263</u>
84.337		Technological Innovation and Cooperation for Foreign Information Access	UW-Madison	89,323	15,525
84.340		Class Size Reduction	DPI	10,476,765	10,476,765
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-Milwaukee	225,753	0
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-Oshkosh	50,487	0
84.342		Preparing Tomorrow's Teachers to Use Technology	UW-River Falls	<u>139,692</u>	<u>0</u>
		Total Federal Program 84.342		<u>415,932</u>	<u>0</u>
N/A	84.ED-98-CO-0087 MOD2	Other Federal Financial Assistance: Zelinko National Conference	UW-Milwaukee	310,143	0
		Subtotal Direct Programs		<u>370,792,078</u>	<u>290,315,357</u>
Subgrants:					
84.022		International: Overseas-Doctoral Dissertation (from Milwaukee Public Schools)	UW-Milwaukee	7,330	0
84.025	84.RI-36082-X	Services for Children with Deaf-Blindness (from University of Dayton Research Institute)	DPI	5,200	0
84.027		Special Education-Grants to States (from La Crosse Medical Health Consortium)	UW-La Crosse	247	0
84.078	84.4629; 7759	Special Education-Postsecondary Education Programs for Persons with Disabilities (from St. Paul Technical College)	UW-Milwaukee	56,718	0
84.116		Fund for the Improvement of Postsecondary Education (from University of Southern California)	UW-Whitewater	1,746	0
84.126		Rehabilitation Services-Vocational Rehabilitation Grants to States (Note 2) (from State of Illinois)	UW-Stout	74,605	0
84.133		National Institute on Disability and Rehabilitation Research (from University of Illinois-Chicago)	DHFS	35,197	0
84.213		Even Start-State Educational Agencies (from Platteville Public School District)	UW-Platteville	6,772	0
84.215	84.R215U60011-99	Fund for the Improvement of Education (from Council of Chief State School Officers)	DPI	35,436	34,210
84.215		Fund for the Improvement of Education (from Wisconsin Educational Partnership Initiatives)	UW-Eau Claire	10,821	0
84.257		National Institute for Literacy (from Kent State University)	WTCSB	4,516	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Platteville Public School District)	UW-Platteville	8,689	0
84.276		Goals 2000-State and Local Education Systemic Improvement Grants (from Whitewater School District)	UW-Whitewater	6,171	0
84.281	84.932	Eisenhower Professional Development State Grants (from Marquette University)	UW-Milwaukee	2,004	0
84.281		Eisenhower Professional Development State Grants (from Milwaukee Public Schools)	UW-Milwaukee	67,492	0
84.287		Twenty-First Century Community Learning Centers (from Milwaukee Public Schools)	UW-Milwaukee	173,335	0
84.287	84.AGR dtd 10/18/98	Twenty-First Century Community Learning Centers (from Kenosha Unified School District)	UW-Parkside	115,592	0
84.295		Ready-To-Learn Television (from Public Broadcasting Service)	UW-Extension	9,846	0
84.324	84.2000-0114	Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities (from Cardinal Stritch University)	UW-Stevens Point	13,474	0
84.324	84.191181	Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities (from Wayne State University)	UW-Stevens Point	38,517	0
N/A	84.99-9901-22; PO 069533	Parents in Partnership: Collaborative Strategies for the 21st Century (from Cooperative Educational Service Agency #1)	UW-Madison	35,010	0
N/A	84.78006	Columbus Developmental Mentoring Program: A Developmentally-Based Prevention Program (from Columbus Middle School)	UW-Madison	22,881	0
N/A	84.AGR dtd 10/27/99	Language Sample Analysis II (from Madison Metropolitan School District)	UW-Madison	32,446	0
N/A	84.AGR dtd 3/23/00	Mississippi First Step Project (from Mississippi State Department of Health)	UW-Madison	218	0
N/A	84.SA1785JB	National Center for Research in Vocational Education Teacher Education Initiative: 1998 Dissemination and Training (from University of California-Berkeley)	UW-Madison	3,353	0
N/A	84.MOU dtd 10/10/98: 3/28/00	Partnership for Learning (from Seymour Community School District)	UW-Green Bay	16,867	0

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
N/A	84.98-44	Workforce Development Center Employment and Training Coordinator (from Racine County Human Services Department)	UW-Parkside	(26,935)	0
N/A	84.99-254; 257; 44	Workforce Development Center Project (from Racine County Human Services Department)	UW-Parkside	59,268	0
N/A	84.928	National Writing Project (from University of California)	UW-Oshkosh	20,290	0
N/A	84.928	National Writing Project (from University of California)	UW-Stevens Point	15,844	0
N/A	84.LTR dtd 6/8/98	Technology Innovation Challenge (from Nicolet Distance Education Network)	UW-Stevens Point	14,760	0
N/A	84.13-06-91	Personal Care DVR (from State of Iowa)	UW-Whitewater	549	0
N/A	84.AGR dtd 8/30/99	Adaptation of the External Diploma Program to Electronic Format (from American Council on Education)	UW-Extension	202,542	0
				1,070,801	34,210
TOTAL U.S. DEPARTMENT OF EDUCATION				371,862,879	290,349,567
U.S. CONSUMER PRODUCT SAFETY COMMISSION: Other Federal Financial Assistance:					
N/A	87.SO14744xx	State and Local Cooperative Contracts Program	DATCP	3,990	0
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	SHS	13,372	0
U.S. INSTITUTE OF PEACE: Other Federal Financial Assistance:					
N/A	91.USIP-027-98S	Beyond State Crisis: Quest for the Efficacious State in Africa and Eurasia	UW-Madison	2,500	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.006		State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	DHFS	9,896	0
93.041		Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DHFS	79,491	(3,958)
93.042		Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	DHFS	129,155	109,267
93.043		Special Programs for the Aging-Title III, Part F-Disease Prevention and Health Promotion Services	DHFS	299,903	284,155
Aging Cluster:					
93.044		Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	DHFS	6,073,766	5,779,216
93.045		Special Programs for the Aging-Title III, Part C-Nutrition Services	DHFS	9,390,211	8,913,133
Total Aging Cluster				15,463,977	14,692,349
93.046		Special Programs for the Aging-Title III, Part D-In-Home Services for Frail Older Individuals	DHFS	175,938	175,938
93.048		Special Programs for the Aging-Title IV-Training, Research and Discretionary Projects and Programs	DHFS	23,117	22,714
93.104		Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	DHFS	4,022,600	2,293,670
93.110		Maternal and Child Health Federal Consolidated Programs	DHFS	139,930	71,163
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	809,104	0
Total Federal Program 93.110				949,034	71,163
93.113		Biological Response to Environmental Health Hazards	UW-Milwaukee	92,680	0
93.116		Project Grants and Cooperative Agreements for Tuberculosis Control Programs	DHFS	343,045	4,387
93.119		Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services-Technical Assistance Centers for Evaluation	DHFS	54,034	0
93.127		Emergency Medical Services for Children	DHFS	160,758	0
93.130		Primary Care Services-Resource Coordination and Development-Primary Care Offices	DHFS	122,718	0
93.139		Financial Assistance for Disadvantaged Health Professions Students	UW-Madison	17,130	0
93.150		Projects for Assistance in Transition from Homelessness	DHFS	302,035	269,790
93.161		Health Program for Toxic Substances and Disease Registry	DHFS	723,647	200,714
93.165		Grants for State Loan Repayment	Commerce	81,038	0
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	88,445	0
93.176		Teacher/Scientist Partnerships: Impacting Drug Abuse	UW-Madison	187,008	0
93.178		Nursing Workforce Diversity	UW-Milwaukee	10,262	0
93.186		National Research Services Awards	UW-Madison	276,464	0
93.194		Community Prevention Coalitions (Partnership) Demonstration Grant	UW-Extension	2,226	0
93.197		Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	DHFS	906,606	781,872
93.214		Extramural Research Facilities Construction	UW-Madison	1,000,000	0
93.218		Substance Abuse Treatment Conference Grants	DHFS	10,262	0
93.225		National Research Service Awards-Health Services Research Training	UW-Madison	94,970	0
93.230		Consolidated Knowledge Development and Application Program	DHFS	1,023,213	1,015,701
93.230		Consolidated Knowledge Development and Application Program	UW-Madison	221,015	31,825
Total Federal Program 93.230				1,244,228	1,047,526
93.234		Traumatic Brain Injury-State Demonstration Grant Program	DHFS	64,294	0
93.235		Abstinence Education	DHFS	856,864	22,922
93.239		Policy Research and Evaluation Grants	DWD	184,241	0
93.241		State Rural Hospital Flexibility Program	DHFS	148,397	0
93.262		Occupational Safety and Health Research Grants	DHFS (932)	0	0
93.263		Occupational Safety and Health-Training Grants	UW-Stevens Point	8,841	0
93.263		Occupational Safety and Health-Training Grants	UW-Stout	53,977	0
Total Federal Program 93.263				62,818	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.268		Immunization Grants	DHFS	3,076,131	940,258
93.278		Drug Abuse National Research Service Awards for Research Training	UW-Madison	14,810	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	684,823	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DHFS	1,526,454	362,394
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	DPI	121,106	35,752
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-La Crosse	5,000	0
		Total Federal Program 93.283		<u>1,652,560</u>	<u>398,146</u>
93.358		Advanced Education Nursing Traineeships	UW-Madison	75,273	0
93.358		Advanced Education Nursing Traineeships	UW-Milwaukee	59,984	0
93.358		Advanced Education Nursing Traineeships	UW-Eau Claire	50,646	0
93.358		Advanced Education Nursing Traineeships	UW-Oshkosh	45,150	0
		Total Federal Program 93.358		<u>231,053</u>	<u>0</u>
93.359		Basic Nurse Education and Practice Grants (from UW-Madison)	UW-Eau Claire	(1,887)	0
93.359		Basic Nurse Education and Practice Grants	UW-Green Bay	(3,991)	0
93.359		Basic Nurse Education and Practice Grants	UW-Oshkosh	(12,178)	0
		Total Federal Program 93.359		<u>(18,056)</u>	<u>0</u>
93.361		Nursing Research	UW-Madison	99,586	0
93.398		Cancer Research Manpower	UW-Madison	1,379,060	0
93.556		Promoting Safe and Stable Families (Note 2)	DHFS	2,937,044	2,556,479
93.558		Temporary Assistance for Needy Families (Note 2)	DWD	225,671,891	22,203,255
93.562		Assistance Payments-Research	DWD	13,129	13,129
93.563		Child Support Enforcement (Notes 2, 6)	DWD	59,392,241	24,584,718
93.566		Refugee and Entrant Assistance-State Administered Programs	DWD	1,940,157	1,328,701
93.568		Low-Income Home Energy Assistance (Note 16)	DOA	46,362,602	9,986,490
93.569		Community Services Block Grant (Note 16)	DHFS	6,261,906	5,963,241
93.570		Community Services Block Grant-Discretionary Awards	DHFS	34,822	0
		Child Care Cluster:			
93.575		Child Care and Development Block Grant (Notes 2, 16)	DWD	1,014,469	918,728
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 2)	DWD	101,129,501	57,532,027
		Total Child Care Cluster		<u>102,143,970</u>	<u>58,450,755</u>
93.576		Refugee and Entrant Assistance-Discretionary Grants	DHFS	9,670	0
93.576		Refugee and Entrant Assistance-Discretionary Grants	DWD	4,502,985	4,307,777
93.576		Refugee and Entrant Assistance-Discretionary Grants	DPI	223,077	211,190
		Total Federal Program 93.576		<u>4,735,732</u>	<u>4,518,967</u>
93.585		Empowerment Zones Program (Note 16)	DHFS	1,006,111	1,006,111
93.595		Welfare Reform Research, Evaluations and National Studies	DWD	74,337	74,337
93.597		Grants to States for Access and Visitation Programs	DHFS	251,757	0
93.600		Head Start	DWD	175,063	84,368
93.600		Head Start	UW-Oshkosh	3,144,112	0
		Total Federal Program 93.600		<u>3,319,175</u>	<u>84,368</u>
93.603		Adoption Incentive Payments	DHFS	78,238	0
93.630		Developmental Disabilities Basic Support and Advocacy Grants	DHFS	1,171,553	10,298
93.632		Developmental Disabilities University Affiliated Programs	UW-Madison	291,848	18,052
93.643		Children's Justice Grants to States	DOJ	133,984	0
93.645		Child Welfare Services-State Grants	DHFS	4,726,407	4,335,094
93.647		Social Services Research and Demonstration	DWD	20,024	0
93.648		Child Welfare Services Training Grants	UW-Green Bay	191,983	0
93.656		Temporary Child Care and Crisis Nurseries	DHFS	24,849	0
93.658		Foster Care-Title IV-E (Note 2)	DHFS	99,272,712	42,408,163
93.658		Foster Care-Title IV-E (Note 2)	UW-Milwaukee	348,261	213,345
		Total Federal Program 93.658		<u>99,620,973</u>	<u>42,621,508</u>
93.659		Adoption Assistance (Note 2)	DHFS	19,454,345	0
93.667		Social Services Block Grant (Notes 16, 17)	DHFS	66,601,958	62,026,868
93.669		Child Abuse and Neglect State Grants	DHFS	463,203	0
93.671		Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	DHFS	1,403,730	1,327,410
93.672		Community-Based Prevention Program	CANPB	407,553	347,674
93.674		Independent Living	DHFS	1,271,349	1,084,309
93.767		State Children's Insurance Program	DHFS	13,314,214	0
93.773		Medicare-Hospital Insurance	DVA	19,504	0
		Medicaid Cluster:			
93.778		Medical Assistance Program (Note 2)	DHFS	1,889,571,994	235,578,254
93.778		Medical Assistance Program (Note 2)	DWD	35,559,766	25,663,869
93.775		State Medicaid Fraud Control Units (Note 2)	DOJ	565,626	0
93.777		State Survey and Certification of Health Care Providers and Suppliers (Note 2)	DHFS	8,399,951	0
		Total Medicaid Cluster		<u>1,934,097,337</u>	<u>261,242,123</u>
93.779		Health Care Financing Research, Demonstrations and Evaluations	DHFS	755,594	275,727
93.821		Cell Biology and Biophysics Research	UW-Madison	1,660,867	0
93.824		Basic/Core Area Health Education Centers	UW-Madison	21,649	0
93.838		Lung Diseases Research	UW-Madison	163,801	0
93.839		Blood Diseases and Resources Research	UW-Madison	117,427	0
93.848		Digestive Diseases and Nutrition Research	UW-Madison	186,027	0

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	35,291	0
93.854		Biological Basis Research in the Neurosciences	UW-Madison	25,834	0
93.856		Microbiology and Infectious Diseases Research	UW-Madison	178,647	0
93.859		Pharmacology, Physiology, and Biological Chemistry Research	UW-Madison	280,844	0
93.862		Genetics and Developmental Biology Research and Research Training	UW-Madison	329,338	0
93.864		Population Research	UW-Madison	223,894	0
93.865		Center for Research for Mothers and Children	UW-Madison	147,164	0
93.866		Aging Research	UW-Madison	413,864	0
93.867		Vision Research	UW-Madison	151,261	0
93.880		Minority Access to Research Careers	UW-Madison	150,530	0
93.886		Physician Assistant Training in Primary Care	UW-Madison	262,077	0
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Madison	279,296	0
93.896		Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	UW-Madison	40,682	0
93.900		Grants for Faculty Development in General Internal Medicine and/or General Pediatrics	UW-Madison	139,548	0
93.913		Grants to States for Operation of Offices of Rural Health	UW-Madison	254,310	156,408
93.917		HIV Care Formula Grants (Note 2)	DHFS	3,713,301	1,318,014
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	367,145	0
93.919		Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (Note 2)	DHFS	2,476,990	1,509,705
93.938		Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Soread of HIV and Other Important Health Problems	DPI	745,943	139,134
93.940		HIV Prevention Activities-Health Department Based (Note 2)	DHFS	3,265,722	2,438,543
93.942		Research, Treatment and Education Programs on Lyme Disease in the United States	DHFS	149,016	144,232
93.944		Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	DHFS	346,054	0
93.958		Block Grants for Community Mental Health Services (Note 16)	DHFS	4,985,826	4,779,149
93.959		Block Grants for Prevention and Treatment of Substance Abuse (Note 16)	DHFS	24,397,874	23,310,121
93.960		Special Minority Initiatives	UW-Madison	19,630	0
93.970		Health Professions Recruitment Program for Indians	UW-Eau Claire	234,810	0
93.977		Preventive Health Services-Sexually Transmitted Diseases Control Grants	DHFS	792,441	288,342
93.984		Academic Administrative Units in Primary Care	UW-Madison	162,040	0
93.988		Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Svstems	DHFS	912,173	322,264
93.991		Preventive Health and Health Services Block Grant (Note 16)	DHFS	3,840,082	1,988,249
93.994		Maternal and Child Health Services Block Grant to the States (Note 16)	DHFS	10,601,914	6,644,133
Other Federal Financial Assistance:					
N/A	93.N01-CN-15373	American Stop Smoking Intervention Study	DHFS	538,349	297,902
N/A	93.2709847057	AODA Treatment Needs Assessment	DHFS	99,150	0
N/A	93.98D364255	Chronic Disease Minority	DHFS	1,699	0
N/A	93.05-9x-05-WI-5002	Clinical Lab Improvement Act	DHFS	343,330	0
N/A	93.200-95-7252	DHFS Vital Statistics (Note 18)	DHFS	377,451	0
N/A	93.233-9x-4152	Field Test Diagnostic X-ray Inspections (Note 18)	DHFS	4,427	0
N/A	93.223-9x-4449	Mammography Quality Standards Act	DHFS	159,585	0
N/A	93.270-95-0011	State Demand and Need Assessment Studies	DHFS	66,393	57,200
N/A	93.223994847	Tobacco Investigations	DHFS	27,752	0
N/A	93.283-95-0046	Uniform AODA Data Collection System	DHFS	160,093	89,624
N/A	93.98D36438301D	Wisconsin Minority Women's Health	DHFS	2,000	0
N/A	93.	Federal Data Sharing	DWD	11,457	0
N/A	93.223-95-4073	Food Inspections	DATCP	106,688	0
N/A	93.223-95-4016	Medicated Feed Inspections	DATCP	28,468	0
N/A	93.223-9x-4008	Tissue Residue Inspections	DATCP	29,801	0
N/A	93.N02-CO-81114; N02-CO-01111	Cancer Information Service	UW-Madison	1,081,997	9,723
N/A	93.2 H46MC00123-11	Nationwide Blood Lead and Erythrocyte Protoporphyrin Proficiency Testing Program	UW-Madison	136,970	0
N/A	93.290-98-0015	Update the Ahopr-Supported Smoking Cessation Clinical Practice Guideline	UW-Madison	129,512	38,565
N/A	93.213-98-0017	Wisconsin Centers of Excellence in Women's Health-Wisconsin Outreach for Adolescent Health	UW-Madison	54,963	0
N/A	93.1 D11 NU 00016-01	Wisconsin Collaborative BSN Program for Rural RNs	UW-Madison	150,421	0
N/A	93.AGR dtd 2/23/99	Integration Analysis	UW-Extension	8,227	0
N/A	93.1 D11 NU 00016-01	Wisconsin Collaborative BSN Program for Rural RNs	UW-Extension	7,493	0
Subtotal Direct Programs				2,699,099,374	568,901,835
Subgrants:					
93.107		Model State-Supported Area Health Education Centers (from Milwaukee Area Health Education Center)	UW-Milwaukee	4,261	0
93.107		Model State-Supported Area Health Education Centers (from Medical College of Wisconsin, Inc.)	UW-Oshkosh	12,130	0
93.122		Cooperative Agreements for Substance Abuse Treatment and Recovery Systems for Rural Remote and Culturally Distinct Populations (from Oconto County Department of Human Services)	UW-Extension	2,543	0
93.144		Demonstration Grants for the Prevention of Alcohol and Drug Abuse Among High-Risk Populations (from Milwaukee Board of School Directors)	UW-Extension	1,471	0
93.283	93.PHB101-9	Centers for Disease Control and Prevention-Investigations and Technical Assistance (from Indiana State Department of Health)	UW-Extension	83,415	0
93.556		Promoting Safe and Stable Families (Note 2) (from Oconto County Partnership)	UW-Extension	6,416	0
93.556		Promoting Safe and Stable Families (Note 2) (from Racine County Department of Human Services)	UW-Extension	35,925	0

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<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
93.556		Promoting Safe and Stable Families (Note 2) (from Rock County Department of Human Services)	UW-Extension	377	0
93.556		Promoting Safe and Stable Families (Note 2) (from United Way of Portage County, Inc.)	UW-Extension	1,812	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Florence County Department of Human Services)	UW-Extension	505	0
93.558		Temporary Assistance for Needy Families (Note 2) (from Portage County Department of Health and Human Services)	UW-Extension	42,266	0
93.570		Community Services Block Grant-Discretionary Awards (from National Collegiate Athletic Association)	UW-Eau Claire	83,317	0
93.570		Community Services Block Grant-Discretionary Awards (from National Collegiate Athletic Association)	UW-La Crosse	64,103	0
93.586		State Court Improvement Program (from Wisconsin Supreme Court)	DHFS	8,366	0
93.658		Foster Care-Title IV-E (Note 2) (from Oconto County Department of Human Services)	UW-Extension	43,061	0
93.658		Foster Care-Title IV-E (Note 2) (from Rock County Department of Human Services)	UW-Extension	43,599	0
93.674	93.FDJ20007	Independent Living (from Milwaukee County Department of Human Services)	UW-Milwaukee	83,113	0
93.778	93.AGR dtd 9/13/99	Medical Assistance Program (Note 2) (from Sally Mather Associates)	UW-Madison	46,688	0
93.824	93.AGR dtd 10/27/99	Basic/Core Area Health Education Centers (from Eastern Wisconsin Area Health Education Center)	UW-Madison	6,989	0
93.824	93.AGR dtd 1/28/98	Basic/Core Area Health Education Centers (from Medical College of Wisconsin, Inc.)	UW-Madison	89,623	0
93.824	93.AGR dtd 7/26/98 - 3/10/00; B1-3-99	Basic/Core Area Health Education Centers (from Southwest Wisconsin Area Health Education Center)	UW-Madison	47,367	0
93.824		Basic/Core Area Health Education Centers (from Wisconsin Area Health Education Centers)	UW-Eau Claire	9,978	0
93.824	93.AGR dtd 10/1/98	Basic/Core Area Health Education Centers (from Eastern Wisconsin Area Health Education Center)	UW-Parkside	51,159	0
93.856	93.22-4177-5220	Microbiology and Infectious Diseases Research (from American Association for the Advancement of Science)	UW-Madison	8,721	0
93.917	93.AGR dtd 5/15/00; 3/4/00	HIV Care Formula Grants (Note 2) (from AIDS Network)	UW-Madison	16,575	0
N/A	93.AGR dtd 7/20/99; 5/3/00	Midwest Aids Training and Education Program (from AIDS Resource Center of Wisconsin)	UW-Madison	52,032	0
N/A	93.AGR dtd 12/10/96	Health Care Professionals Training and Technical Assistance-Medical Specialists (from American Academy of Addiction Psychiatry)	UW-Madison	8,912	0
N/A	93.6U78HP00001	Faculty Development Program (from Association for Medical Education and Research in Substance Abuse)	UW-Madison	11,164	0
N/A	93.AGR dtd 9/1/99	Head Start Quality Improvement Center (from Cooperative Educational Service Agency #5)	UW-Madison	62,354	0
N/A	93.CK E1131629; 39543	Fourth and Fifth Annual NRSA Trainees Meeting (from Georgetown University)	UW-Madison	1,934	0
N/A	93.9858302	Multi-Media Video Task Analysis Ergonomics Analysis and Design Consortium (from Pittsburgh Research Center)	UW-Madison	14,084	0
N/A	93.AGR dtd 6/15/98	Waisman Center Katie Beckett Regional Program (from Sally Mather Associates)	UW-Madison	(419)	0
N/A	93.AGR dtd 10/13/98	Family Medicine Faculty Database Design and Maintenance Planning (from Society of Teachers of Family Medicine)	UW-Madison	6,712	0
N/A	93.AGR dtd 6/2/99	UW-Madison School of Nursing Preceptor Recognition and Preceptor Data Base (from Southwest Wisconsin Area Health Education Center)	UW-Madison	6,000	0
N/A	93.369656	Transition Website (from University of Florida)	UW-Madison	435	0
N/A	93.2-5-24589-5611	Public Health Information Initiative: Web-Based Access to Information Resources (from University of Illinois-Chicago)	UW-Madison	(142)	0
N/A	93.	Various Subgrants (from Wisconsin Council on Developmental Disabilities)	UW-Madison	2,378	0
N/A	93.AGR dtd 4/19/99	Doctors of our Community (from Eastern Wisconsin Area Health Education Center)	UW-Parkside	9,346	0
		Subtotal Subgrants		<u>968,570</u>	<u>0</u>
		TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>2,700,067,944</u>	<u>568,901,835</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:</b>					
94.003		State Commissions	DOA	214,753	11,384
94.004		Learn and Serve America-School and Community Based Programs	DPI	537,058	476,341
94.004		Learn and Serve America-School and Community Based Programs	DOA	118,149	118,149
		Total Federal Program 94.004		<u>655,207</u>	<u>594,490</u>
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Milwaukee	121	1,200
94.005		Learn and Serve America-Higher Education	UW-Eau Claire	34,022	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Green Bay	2,958	0
94.005		Learn and Serve America-Higher Education	UW-River Falls	148,879	0
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Stout	(1,387)	8,390
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Superior	(3,597)	7,621
94.005		Learn and Serve America-Higher Education (from UW-River Falls)	UW-Whitewater	19,024	0
94.005		Learn and Serve America-Higher Education (from UW-Green Bay)	UW Colleges	(2,245)	0
		Total Federal Program 94.005		<u>197,775</u>	<u>17,211</u>
94.006		AmeriCorps	DOA	1,649,802	1,649,802
94.007		Planning and Program Development Grants	DOA	41,517	38,746
94.009		Training and Technical Assistance	DOA	121,860	0
94.011		Foster Grandparent/Senior Companion Cluster:			
		Foster Grandparent Program	DHFS	1,245,904	1,129,471
		Total Foster Grandparent/Senior Companion Cluster		<u>1,245,904</u>	<u>1,129,471</u>

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>INDIVIDUAL PROGRAMS AND OTHER CLUSTERS</b>					
94.013		Volunteers in Service to America Subtotal Direct Programs	DPI	5,877 <u>4,132,695</u>	5,827 <u>3,446,931</u>
94.004		Subgrants: Learn and Serve America-School and Community Based Programs (from Cooperative Education Services Agency #9)	DPI	2,844	0
94.004	94.LSSIA015	Learn and Serve America-School and Community Based Programs (from State of Iowa Department of Education)	DPI	35,659	15,000
94.004	94.220302BB	Learn and Serve America-School and Community Based Programs (from State of Minnesota Department of Education)	DPI	7,983	0
94.007		Planning and Program Development Grants (from National Youth Leadership Council) Subtotal Subgrants	UW-River Falls	86,340 <u>132,826</u>	0 <u>15,000</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				<u>4,265,521</u>	<u>3,461,931</u>
U.S. SOCIAL SECURITY ADMINISTRATION:					
Disability Insurance/SSI Cluster:					
96.001		Social Security-Disability Insurance	DHFS	20,040,986	0
96.001		Social Security-Disability Insurance (Note 18)	DWD	3,835,165	0
Total Disability Insurance/SSI Cluster				<u>23,876,151</u>	<u>0</u>
96.007		Social Security-Research and Demonstration	DHFS	1,092,720	0
Other Federal Financial Assistance:					
N/A	96.0600-98-32704; 96.0600-95-18362	Social Security Administration Death Records (Note 18)	DHFS	6,809	0
N/A	96.0600-98-32750; 96.0600-95-17707	Social Security Enumeration (Note 18)	DHFS	28,261	0
TOTAL U.S. SOCIAL SECURITY ADMINISTRATION				<u>25,003,941</u>	<u>0</u>
TOTAL INDIVIDUAL PROGRAMS AND OTHER CLUSTERS				<u>\$ 4,753,614,200</u>	<u>\$ 1,205,731,681</u>

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	02.RD	U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT: R&D	UW-Madison	\$ 4,426,782	\$ 2,373,334
N/A	02.AGR dtd 2/21/91	R&D Subgrants: Honduras Agricultural Policy Analysis and Implementation Project (from ABT Associates, Inc.)	UW-Madison	(4,266)	0
N/A	02.522-0325-C-00-3298	Honduras Policy Analysis and Implementation Project (from Chemonics International)	UW-Madison	4,377	0
N/A	02.4050-98-S-002	Basis Technical Assistance Contract-Technical Support for the Inter-Summit Property (from Development Alternatives, Inc.)	UW-Madison	140,062	0
N/A	02.AGR dtd 10/4/99	Proyecto Condor-Procon (from Fundacion Antisana)	UW-Madison	6,432	0
N/A	02.C16-020	Characterization and Management of Tomato and Pepper Geminiviruses (from Hebrew University of Jerusalem)	UW-Madison	13,604	0
N/A	02.AGR dtd 6/19/97	Women's Legal Rights to Property in Ethiopia, South Africa, Peru and Bangladesh (from International Food Policy Research Institute)	UW-Madison	(4,609)	0
N/A	02.93-633-8700	Guinea Bissau Trade and Investment Promotion Support Project (from Labat-Anderson, Inc.)	UW-Madison	(8)	0
N/A	02.AGR dtd 1/11/00	Albanian Watershed Assessment Program (from Materials, Communication and Computers, Inc.)	UW-Madison	101,573	0
N/A	02.AGR dtd 5/15/89	Molecular Approaches to Control of Bean Golden Mozaic (from Michigan State University)	UW-Madison	128,532	28,644
N/A	02.121-18-19; 121-20-21	Impacts of Economic Reform on the Livestock Sector of Central Asia (from University of California-Davis)	UW-Madison	263,069	0
N/A	02.120-20-21	Livestock-Natural Resource Interfaces at the Internal Frontier in Latin America (from University of California-Davis)	UW-Madison	125,847	88,179
N/A	02.RD309-010/5198003; RC710-006/5912994	Sustainable Agriculture and Natural Resource Management Systems (from University of Georgia)	UW-Madison	433,078	276,589
N/A	02.CR-19126-434604	Cattle, Manure and Soil Fertility Management to Increase Nutrients Availability (from Virginia Polytechnic Institute and State University)	UW-Madison	14,058	0
N/A	02.5033-97-1	Guinea Natural Resources Management Activity (from Winrock International Institute for Agriculture)	UW-Madison	38,346	0
		Subtotal R&D Subgrants		<u>1,260,095</u>	<u>393,412</u>
		TOTAL R&D FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT		<u>5,686,877</u>	<u>2,766,746</u>
N/A	04.RD	INTER-AMERICAN FOUNDATION: R&D	UW-Madison	<u>1,900</u>	<u>0</u>
		U.S. DEPARTMENT OF AGRICULTURE:			
10.001		Agricultural Research-Basic and Applied Research	UW-Stevens Point	25,063	0
10.200		Grants for Agricultural Research, Special Research Grants	UW-Madison	1,227,210	292,880
10.200		Grants for Agricultural Research, Special Research Grants	UW-Milwaukee	<u>2,460</u>	<u>0</u>
		Total Federal Program 10.200		<u>1,229,670</u>	<u>292,880</u>
10.203		Payments to Agricultural Experiment Stations Under the Hatch Act	UW-Madison	5,448,156	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Madison	3,193,747	35,223
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Milwaukee	96,969	21,951
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Oshkosh	73,867	0
10.206		Grants for Agricultural Research-Competitive Research Grants	UW-Parkside	<u>15,197</u>	<u>0</u>
		Total Federal Program 10.206		<u>3,379,780</u>	<u>57,174</u>
10.217		Higher Education Challenge Grants	UW-Madison	18,722	0
10.224		Fund for Rural America-Research, Education, and Extension Activities	UW-Madison	168,695	8,000
10.652		Forestry Research	UW-Madison	146,761	67,830
10.652		Forestry Research	UW-Eau Claire	9,251	0
10.652		Forestry Research (from UW-Madison)	UW-Stevens Point	<u>24,845</u>	<u>0</u>
		Total Federal Program 10.652		<u>180,857</u>	<u>67,830</u>
10.664		Cooperative Forestry Assistance	UW-Madison	30,939	0
10.664		Cooperative Forestry Assistance	UW-Stevens Point	<u>23,295</u>	<u>0</u>
		Total Federal Program 10.664		<u>54,234</u>	<u>0</u>
10.912		Environmental Quality Incentives Program (from UW-Extension)	UW-Stevens Point	29,696	0
10.912		Environmental Quality Incentives Program	UW-Extension	<u>7,881</u>	<u>0</u>
		Total Federal Program 10.912		<u>37,577</u>	<u>0</u>
10.960		Technical Agricultural Assistance	UW-Madison	29,300	0
10.961		Scientific Cooperation Program	UW-Madison	22,495	2,500
10.962		International Training-Foreign Participant	UW-Madison	52,177	0
N/A	10.RD	R&D from Agricultural Research Service	UW-Madison	1,353,998	97,155
N/A	10.RD	R&D from Cooperative State Research, Education and Extension Service	UW-Madison	80,756	26,002
N/A	10.RD	R&D from Forest Service	UW-Madison	486,637	0
N/A	10.RD	R&D	UW-Madison	362,490	65,319
N/A	10.NC-94-CR02	Effects of Tropospheric Ozone on Growth and Physiological Process of Aspen Genotype	UW-Parkside	(1,022)	0

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**STATE OF WISCONSIN  
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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	10.53-56A6-6-1054	Ecological Classification System Nicolet National Forest	UW-Stevens Point	(2,742)	0
N/A	10.23-97-40-RJVA	Evaluation of Changes in Population Size, Size Structure, Angling Success, and Habitat Use of Smallmouth Bass	UW-Stevens Point	8,480	0
N/A	10.59-1275-8-058	Evaluation of Multiple Disease Resistance in Potato Breeding Clones	UW-Stevens Point	1,245	0
N/A	10.00-CS-11090903-023	Superior National Forest Ecology	UW-Stevens Point	2,657	0
N/A	10.58-1275-7-040	Transfer of Verticillium Resistance from Diploid Hybrids to Tetraploid Offspring	UW-Stevens Point	(2,319)	0
		Subtotal Direct R&D Grants		<u>12,936,906</u>	<u>616,860</u>
		R&D Subgrants:			
10.200		Grants for Agricultural Research, Special Research Grants (from Cornell University)	UW-Madison	16,573	0
10.200		Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Madison	60,108	0
10.200		Grants for Agricultural Research, Special Research Grants (from Oregon State University)	UW-Madison	38,959	0
10.200		Grants for Agricultural Research, Special Research Grants (from Purdue University)	UW-Madison	363,273	0
10.200		Grants for Agricultural Research, Special Research Grants (from University of Idaho)	UW-Madison	270	0
10.200	10.61-4069J	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Milwaukee	180	0
10.200	10.61-4132D	Grants for Agricultural Research, Special Research Grants (from Michigan State University)	UW-Superior	68	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from Michigan State University)	UW-Madison	6,242	0
10.206		Grants for Agricultural Research-Competitive Research Grants (from University of Nebraska)	UW-Madison	20,261	0
10.206	10.UA AES 99-100	Grants for Agricultural Research-Competitive Research Grants (from University of Arkansas)	UW-Stevens Point	6,643	0
10.217		Higher Education Challenge Grants (from Michigan State University)	UW-Madison	10,463	0
10.652		Forestry Research (from Forestry Products Laboratory)	UW-La Crosse	29,229	0
N/A	10.US-2968-98C	Characterization of Brucella Melinensis Rev 1 Attenuated Mutants (from Binational Agricultural Research and Development)	UW-Madison	60,193	0
N/A	10.AGR dtd 7/5/00	Improving Yellow Perch Aquaculture Using All Female and Triploid Stock (from Coolwater Aquaculture, Inc.)	UW-Madison	2,026	0
N/A	10.AGR dtd 11/17/99	Genetic Markers for Dry Cattle Health (from Iowa State University)	UW-Madison	1,321	0
N/A	10.AGR dtd 6/17/99	Evaluation of the Microbial Fungicide Serenade WP Biofungicide for Control of Alternaria Leaf (from IR-4 Center for Minor Crop Pest Management)	UW-Madison	2,330	0
N/A	10.AGR dtd 9/26/97	Producing Compost from Wood Residues and Other Organic By-Products in Wisconsin (from Lumberjack Resource Conservation and Development Council, Inc.)	UW-Madison	4,733	0
N/A	10.61-4131A	Biologic and Economic Assessment of Pesticide Usage on Snap Beans for Processing (from Michigan State University)	UW-Madison	11,201	0
N/A	10.RF826993	Effects of Pathogenic Variability in Verticillium Dahliae and Pratylenchus Penetrans (from Ohio State University)	UW-Madison	13,926	0
N/A	10.593-0213-22	Development of Vectors for the Enhanced Production of Proteins in Transgenic Plants (from Purdue University)	UW-Madison	32	0
N/A	10.IS-2894-97	Regulation of Senescence by Sugar Metabolism (from U.S.-Israel Binational Agricultural Research and Development)	UW-Madison	37,060	0
N/A	10.UA AES 2000-114	Development of a Computer/Internet-Based Poultry Science Curriculum (from University of Arkansas)	UW-Madison	4,194	0
N/A	10.RD	R&D Subgrants (from University of Minnesota)	UW-Madison	45,282	0
N/A	10.LWF 62-016-03717; 25-6205-0016-006	Development of Sustainable Practices for Integrated Management of Apple Diseases (from University of Nebraska)	UW-Madison	68,042	0
N/A	10.LWF 62-016-03712	Evaluating Pasture Based Poultry Systems: Potential Contributions to Farm Diversification (from University of Nebraska-Lincoln)	UW-Madison	22,059	0
N/A	10.LWF 62-016-03709	Using Small Grain Cover Crop Alternatives to Diversify Crop Rotations (from University of Nebraska)	UW-Madison	43,023	13,155
N/A	10.RD	R&D Subgrants (from University of Nebraska)	UW-Madison	17,416	0
		Subtotal R&D Subgrants		<u>885,107</u>	<u>13,155</u>
		<b>TOTAL R&amp;D FROM U.S. DEPARTMENT OF AGRICULTURE</b>		<u><b>13,822,013</b></u>	<u><b>630,015</b></u>
		<b>U.S. DEPARTMENT OF COMMERCE:</b>			
11.303		Economic Development-Technical Assistance	UW-Milwaukee	68,714	0
11.417		Sea Grant Support	UW-Madison	1,642,471	1,361
11.417		Sea Grant Support (from UW-Madison)	UW-Milwaukee	473,368	0
11.417		Sea Grant Support (from UW-Madison)	UW-Green Bay	19,975	0
11.417		Sea Grant Support (from UW-Madison)	UW-La Crosse	(17,353)	0
11.417		Sea Grant Support (from UW-Madison)	UW-Stevens Point	(3,889)	0
11.417		Sea Grant Support (from UW-Madison)	UW-Superior	(129)	0
11.417		Sea Grant Support (from UW-Madison)	UW Colleges	33,466	0
		Total Federal Program 11.417		<u>2,147,909</u>	<u>1,361</u>
11.420		Coastal Zone Management Estuarine Research Reserves	UW-Madison	967	0
11.426		Financial Assistance for National Centers for Coastal Ocean Science	UW-Milwaukee	250,102	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
11.431		Climate and Atmospheric Research	UW-Madison	43,196	0
11.431		Climate and Atmospheric Research	UW-Milwaukee	97,856	0
		Total Federal Program 11.431		141,052	0
N/A	11.RD	R&D from National Oceanic and Atmospheric Administration	UW-Madison	1,851,408	0
N/A	11.RD	R&D from National Institute of Standards and Technology	UW-Madison	28,660	0
		Subtotal Direct R&D Grants		4,488,812	1,361
R&D Subgrants:					
11.420		Coastal Zone Management Estuarine Research Reserves (from Bailey Property Preservation Association)	UW-Milwaukee	(41)	0
11.430	11.PSA 2267	Undersea Research (from University of Connecticut)	UW-Milwaukee	25,106	0
11.432	11.UMICH-300052519	Office of Oceanic and Atmospheric Research Cooperative Institutes (from University of Michigan)	UW-Milwaukee	18,746	0
11.443	11.S00-18116	Short Term Climate Fluctuations (from University Corporation for Atmospheric Research)	UW-Milwaukee	15,849	0
N/A	11.AGR dtd 8/9/99	Innovative Fingerling Production Processes for Yellow Perch Aquaculture (from Coolwater Aquaculture)	UW-Madison	16,500	0
N/A	11.AGR dtd 4/30/99	Statistical Analysis of Atmospheric Ozone Profile Data for Trends and Sensitivity Study (from Research and Data Systems Corporation)	UW-Madison	10,536	0
N/A	11.RU04738	Development of Diagnostic Data Sets-Wisconsin State Climatologist Office (from University of Illinois-Urbana-Champaign)	UW-Madison	1,788	0
N/A	11.UCAR S98-94733	Development of Diagnostic Tools for Forecasting Heavy Precipitation in the Occluded Sector (from University Corporation for Atmospheric Research)	UW-Madison	26,527	0
N/A	11.UCAR S98-93861	Operational Prediction of Meso-Beta-Scale Weather in the Vicinity of the Western Great Lakes (from University Corporation for Atmospheric Research)	UW-Madison	11,529	0
		Subtotal R&D Subgrants		126,540	0
		TOTAL R&D FROM U.S. DEPARTMENT OF COMMERCE		4,615,352	1,361
U.S. DEPARTMENT OF DEFENSE:					
12.300		Basic and Applied Scientific Research	UW-Madison	3,095,975	400,476
12.300		Basic and Applied Scientific Research	UW-Milwaukee	26,192	0
		Total Federal Program 12.300		3,122,167	400,476
12.420		Military Medical Research and Development	UW-Madison	972,100	95,736
12.420		Military Medical Research and Development	UW-Milwaukee	18,201	0
		Total Federal Program 12.420		990,301	95,736
12.630		Basic, Applied, and Advanced Research in Science and Engineering	UW-Madison	345,695	0
12.800		Air Force Defense Research Sciences Program	UW-Madison	1,369,885	1,976
12.800		Air Force Defense Research Sciences Program	UW-Stout	(15)	0
		Total Federal Program 12.800		1,369,870	1,976
12.901		Mathematical Sciences Grants Program	UW-Madison	82,549	0
12.901		Mathematical Sciences Grants Program	UW-Milwaukee	14,097	0
		Total Federal Program 12.901		96,646	0
12.910		Research and Technology Development	UW-Madison	911,584	365,395
12.910		Research and Technology Development	UW-Milwaukee	5,149	0
		Total Federal Program 12.910		916,733	365,395
N/A	12.DSWA01-98-1-08	Seismic Event Location Analysis with Ground-Truth Datasets	UW-Madison	75,624	0
N/A	12.RD	R&D from Army	UW-Madison	3,538,878	206,984
N/A	12.RD	R&D from Navy	UW-Madison	511,288	0
N/A	12.RD	R&D from Air Force	UW-Madison	24,670	0
N/A	12.RD	R&D from Defense Advanced Research Projects Agency	UW-Madison	1,926,592	0
N/A	12.DACW37-97-M-0750; 0799; 96-M-0670; 98-M-0384	R&D from Army Corps of Engineers	UW-La Crosse	18,712	1,000
N/A	12.DACW37-99-V-0142; DACW25-99-M-0379	R&D	UW-La Crosse	4,793	0
		Subtotal Direct R&D Grants		12,941,969	1,071,567
R&D Subgrants:					
12.300	12.57995	Basic and Applied Scientific Research (from Texas Engineering Experiment Station)	UW-Madison	284,761	17,896
12.420	12.97101301	Military Medical Research and Development (from Rush University)	UW-Madison	38,590	0
12.630	12.99RA0734-05	Basic, Applied, and Advanced Research in Science and Engineering (from University of California-Davis)	UW-Madison	202,901	0
12.800	12.542252-52238	Air Force Defense Research Sciences Program (from Carnegie Mellon University)	UW-Milwaukee	9,553	0
12.800	12.F30602-98-1-0045	Air Force Defense Research Sciences Program (from Rome Laboratory)	UW-Milwaukee	25,426	0
12.800	12.5405-0015-17	Air Force Defense Research Sciences Program (from Technical Management Concepts, Inc.)	UW-Milwaukee	22,770	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
12.800	12.AFOSR-0109-1UW	Air Force Defense Research Sciences Program (from University of Texas)	UW-Milwaukee	19,939	0
12.900	12.CG 9818	Language Grant Program (from University of Maryland-Baltimore County)	UW-Milwaukee	23,663	0
12.910		Research and Technology Development (from Carnegie Mellon University)	UW-Milwaukee	31,738	0
N/A	12.97-S-2231-UWM	Use of Pultruded Composite Material in the Conceptual Design of Causeways Services (from Aepec, Inc.)	UW-Madison	4,433	0
N/A	12.AC-99-10	Computational Tools for Optimized Design of Advanced Twists (from Analex Corporation)	UW-Madison	40,983	0
N/A	12.S755UW	VIIRS Sensor Payload and Algorithm Development Concept Study for the Npoess Program (from Atmospheric and Environmental Research, Inc.)	UW-Madison	45,477	0
N/A	12.9608-01C-0168A	Multi-Discipline Multi-Level Simulators of Electromechanical Products (from Beam Technologies, Inc.)	UW-Madison	(1,410)	0
N/A	12.17841	Kiva Modeling and Analysis of Engine Combustion (from BKM, Inc.)	UW-Madison	(382)	0
N/A	12.PC279342	GAN Thyristors and Schottky Diodes (from California Institute of Technology)	UW-Madison	173,477	0
N/A	12.PC290628	Technical Support for Advanced Air Pollution Emissions Testing (from California Institute of Technology)	UW-Madison	53,777	0
N/A	12.1005952	Silicon Heterogeneous Integration (from California Institute of Technology)	UW-Madison	3,555	0
N/A	12.RD	R&D Subgrants (from Center for Naval Analyses)	UW-Madison	26,954	0
N/A	12.DABT63-99-C-0008 UW	Mesoscopic Integrated Conformal Electronics (from CMS Technetronics)	UW-Madison	103,774	0
N/A	12.35352-6087	Complex Interactive Networks/Systems Initiative (from Cornell University)	UW-Madison	272,130	0
N/A	12.QS4951	Point Source X-ray Lithographic Systems for Sub-0.15 Um Design Rules (from Lockheed Sanders, Inc.)	UW-Madison	82,428	0
N/A	12.RH7499	X-ray Phase Masks for Devices (from Lockheed Sanders, Inc.)	UW-Madison	33,768	0
N/A	12.SC-127481	Radiation Hydrodynamics Modeling (from Marconi Systems Technologies, Inc.)	UW-Madison	26,052	0
N/A	12.AGR dtd 1/14/00	Development of a Delivery Vehicle Targeting Cholinergic Neurons (from Metabiologics, Inc.)	UW-Madison	28,129	0
N/A	12.N00167-99-M-1007	Implementation of Detailed Diesel Engine Models in the Parallel Kiva-3 Code (from Naval Surface Warfare Center, Carderock Division)	UW-Madison	3,543	0
N/A	12.AGR dtd 9/24/97	Novel Gene Gun Mediated Il-12 Gene Therapy for Breast Cancer (from Powderject, Inc.)	UW-Madison	250,130	0
N/A	12.F809575	Solidification and Processing of Mo-Si-B Alloys (from Pratt and Whitney)	UW-Madison	15,068	0
N/A	12.F809581	Thermodynamic Characterization Development Program (from Pratt and Whitney)	UW-Madison	42,869	0
N/A	12.PP 00132	Testing of PDA Air Filters for Antimicrobial Activity (from Product Development Assistance, Inc.)	UW-Madison	1,156	0
N/A	12.AGR dtd 6/8/98	Design and Synthesis of Orally Active Inhibitors of Botulinum Toxin Metalloproteases (from Promega Corporation)	UW-Madison	58,520	0
N/A	12.4500024927	Evaluation of the Electrochemical Behavior of Novel MnO2 Materials (from Rayovac Corporation)	UW-Madison	6,000	0
N/A	12.CC6955	0.5 Micron Mmic Gate Development (from Sanders, Lockheed Martin Co.)	UW-Madison	16,350	0
N/A	12.SSAN: 188-62-0324	National Defense Science and Engineering Graduate Fellowship (from Southeastern Center for Electrical Engineering)	UW-Madison	347	0
N/A	12.41-000202	Characterization of Debris Generation by PRS Machines (from SRI International)	UW-Madison	14,000	0
N/A	12.320-2563A	Direct Digital Mammography Using Capillary Optics (from State University of New York-Albany)	UW-Madison	481	0
N/A	12.J-09301-S98060	Distributed Queries and Change Management in DDB (from TASC, Inc.)	UW-Madison	6,062	0
N/A	12.97RA0494	Optical Avalanches: Using Anchoring Transitions of Liquid Crystals on Organized Surfaces (from University of California)	UW-Madison	7,741	0
N/A	12.SA1103-25511LD	Three Dimensional Structure Determination of Botulinum Neurotoxin (from University of California-Berkeley)	UW-Madison	99	0
N/A	12.00-233	Engineering Solutions for Robust and Efficient Microfluidic Biomolecular Systems (from University of Illinois-Urbana-Champaign)	UW-Madison	107,604	0
N/A	12.98-129	Integrated, Language-Directed Performance Prediction, Measurement and Analysis Environment (from University of Illinois-Urbana-Champaign)	UW-Madison	90,966	0
N/A	12.M000013	Automotive Research Center: Powertrain System Modeling (from University of Michigan)	UW-Madison	44,851	0
N/A	12.F000525	Automotive Research Center: Powertrain System Modeling (from University of Michigan)	UW-Madison	5,351	0
N/A	12.UTA98-0111	Environment for End-to-End Performance Design of Large-Scale Parallel Adaptive Computer (from University of Texas-Austin)	UW-Madison	48,981	0
N/A	12.UTA96-0033	Intelligent Manufacturing in Electronics and Materials Processing (from University of Texas-Austin)	UW-Madison	92,862	0
N/A	12.UTA96-0034	Silicon and Germanium Thin Film Chemical Vapor Deposition, Modeling and Control (from University of Texas-Austin)	UW-Madison	101,446	0
N/A	12.97-044	Structure-Based Design of Acute Countermeasures to Alphaviruses, Flaviviruses and Arenaviruses (from University of Texas Medical Branch)	UW-Madison	80,946	0
N/A	12.CR-19126-430771	Power Electronic Building Blocks and System Integration (from Virginia Polytechnic Institute and State University)	UW-Madison	85,070	0
N/A	12.RD	Making Stormwater Basins Effective in Both Water Quality Improvement and Habitat Support Functions (from Wetlands Research, Inc.)	UW-Madison	1,986	0
N/A	12.N61533-94-D0028: Mod-1	Multi-Level Power Converter Modeling and Control (from P. C. Krause and Associates)	UW-Milwaukee	31,933	0
N/A	12.DACA45-95D-0019	Fort McCoy Field School (from Earth Tech, Inc.)	UW-La Crosse	(10,740)	0
		Subtotal R&D Subgrants		2,656,108	17,896
		TOTAL R&D FROM U.S. DEPARTMENT OF DEFENSE		15,598,077	1,089,463

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**STATE OF WISCONSIN  
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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
R&D Subgrants:					
14.219		Community Development Block Grants/Small Cities Program (from City of La Crosse)	UW-La Crosse	7,566	0
U.S. DEPARTMENT OF THE INTERIOR:					
Fish and Wildlife Management Assistance					
15.608		Coastal Wetlands Planning, Protection and Restoration Act	UW-Stevens Point	6,157	0
15.614		Assistance to State Water Resources Research Institutes	UW-Eau Claire	4,155	0
15.805		Earthquake Hazards Reduction Program	UW-Madison	50,200	0
15.807		U.S. Geological Study-Research and Data Acquisition	UW-Madison	20,026	0
15.808		National Cooperative Geologic Mapping Program	UW-Madison	8,757	0
15.810		Upper Mississippi River System Long Term Resource Monitoring Program	UW-Madison	10,709	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-La Crosse	956,090	0
15.978		Upper Mississippi River System Long Term Resource Monitoring Program	UW-Stevens Point	5,834	0
Total Federal Program 15.978				<u>961,924</u>	<u>0</u>
N/A	15.RD	R&D from U.S. Fish and Wildlife Service	UW-Madison	25,391	0
N/A	15.RD	R&D from National Biological Service	UW-Madison	61,413	0
N/A	15.RD	R&D from U.S. Geological Survey	UW-Madison	279,928	0
N/A	15.RD	R&D	UW-Madison	135,439	0
N/A	15.1448-40181-97-G-031	R&D from U.S. Fish and Wildlife Service	UW-Milwaukee	792	0
N/A	15.301819J119	Development of a Lake-Wide Lake Trout Population Model for Lake Superior	UW-Stevens Point	7,949	0
N/A	15.301810G030	Disturbance, Structure and Regeneration Patterns in Yellow River Floodplain Forests	UW-Stevens Point	1,104	0
N/A	15.13-00-7-0001	Ferrets at Conata Basins/Badlands	UW-Stevens Point	4,504	0
Subtotal Direct R&D Grants				<u>1,578,448</u>	<u>0</u>
R&D Subgrants:					
15.608		Fish and Wildlife Management Assistance (from Montana State University)	UW-La Crosse	8,298	0
15.808	15.1434-HQ-96-AG-01612	U.S. Geological Survey-Research and Data Acquisition (from Portland State University)	UW-Eau Claire	7,120	0
15.904		Historic Preservation Fund Grants-In-Aid (from Nebraska State Historical Society)	UW-La Crosse	14,731	0
15.914		National Register of Historic Places (from City of Chatfield)	UW-La Crosse	11,853	0
N/A	15.5314	Metapopulation Biology of Polygonella Basiramia, a Federally Endangered Florida (from Florida Department of Agriculture and Consumer)	UW-Madison	3,374	0
N/A	15.LTR dtd 9/10/96	Wild Turkey Survival and Habitat Use in Chase County, Kansas (from Kansas Department of Wildlife and Parks)	UW-Madison	22,942	0
N/A	15.AGR dtd 1/24/97	Documentation of Environmental Changes in the Last 200 Years in Little Trout and Ink Spot Lakes (from Lac du Flambeau Band of Lake Superior Chippewa)	UW-Madison	2,000	0
N/A	15.UI-TPSU-UW-929-1432	Recreation Fee Program (from Pennsylvania State University)	UW-Madison	16,278	0
N/A	15.AGR dtd 11/29/99	Wisconsin and National Framework Surveys-Comparison, Validation and Recommendations (from University Consortium for Geographic)	UW-Madison	8,029	0
N/A	15.KK4012	Social, Economic and Historic Characterization of San Luis Obispo, Santa Barbara and Ventura (from University of California-Santa Barbara)	UW-Madison	2,744	0
N/A	15.1422L320A72001	Investigation into Taxonomic Status (from Bureau of Land Management Alaska Fire Service)	UW-Milwaukee	2,400	0
Subtotal R&D Subgrants				<u>99,769</u>	<u>0</u>
TOTAL R&D FROM U.S. DEPARTMENT OF THE INTERIOR				<u>1,678,217</u>	<u>0</u>
U.S. DEPARTMENT OF JUSTICE:					
R&D					
N/A	16.RD	Meeting the Needs of Racine Citizens: Evaluation of a Community Policing Program	UW-Madison	117,155	0
N/A	16.96-IJ-CX-0093	Meeting the Needs of Racine Citizens: Evaluation of a Community Policing Program	UW-Parkside	22,847	0
Subtotal Direct R&D Grants				<u>140,002</u>	<u>0</u>
R&D Subgrants:					
16.542	16.97-S23-03	National Institute for Juvenile Justice and Delinquency Prevention (from George Washington University)	UW-Milwaukee	290,059	0
TOTAL R&D FROM U.S. DEPARTMENT OF JUSTICE				<u>430,061</u>	<u>0</u>
U.S. DEPARTMENT OF LABOR:					
R&D Subgrants:					
17.246	17.P0004335	Employment and Training Assistance-Dislocated Workers (from Waukesha County Technical College)	UW-Milwaukee	(578)	0
N/A	17.4892	National Longitudinal Survey of Youth-UW-Madison Component (from National Opinion Research Center)	UW-Madison	122,018	0
TOTAL R&D FROM U.S. DEPARTMENT OF LABOR				<u>121,440</u>	<u>0</u>
U.S. DEPARTMENT OF STATE:					
N/A	19.RD	R&D	UW-Madison	26,662	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
R&D Subgrants:					
N/A	19.AGR dtd 11/24/97	Effects of Variable Harvest Levels on Winter Populations of Northern Bobwhite in Kansas (from Kansas Department of Wildlife and Parks)	UW-Madison	17,063	0
N/A	19.813-16G	Doing Business Under Conditions of Persistent Instability: Use of Law by Russian Enterprisers (from National Council for Eurasian and East European)	UW-Madison	26,336	0
Subtotal R&D Subgrants				<u>43,399</u>	<u>0</u>
TOTAL R&D FROM U.S. DEPARTMENT OF STATE				<u>70,061</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
N/A	20.DTFH61-00-C-00020	Accelerated-Test Based Material Specifications for FRP Highway Bridge Applications	UW-Madison	33,193	0
N/A	20.DTRS99-G-0005	Optimization of Transportation Investment and Operations	UW-Madison	207,375	0
N/A	20.1000-31-49	ITS System Evaluation and Technology Development (from UW-Madison)	UW-Milwaukee	8,055	0
N/A	20.DTFH61-95-C-00161	Nondestructive Evaluation Technology	UW-Milwaukee	4	0
Subtotal Direct R&D Grants				<u>248,627</u>	<u>0</u>
R&D Subgrants:					
20.205		Highway Planning and Construction (from Ayres Associates)	UW-La Crosse	5,929	0
20.205		Highway Planning and Construction (from Barron County)	UW-La Crosse	1,889	0
20.205		Highway Planning and Construction (from BRW Inc.)	UW-La Crosse	(24,537)	0
20.205		Highway Planning and Construction (from Graff, Anhalt, Schloemer and Associates)	UW-La Crosse	5,054	0
20.205		Highway Planning and Construction (from Jewell and Associates, Inc.)	UW-La Crosse	4,324	0
20.205		Highway Planning and Construction (from Minnesota Department of Transportation)	UW-La Crosse	5,004	759
20.205		Highway Planning and Construction (from MSA Professional Services, Inc.)	UW-La Crosse	11,386	0
20.502	20.CT 878	Federal Transit Grants for University Research and Training (from Rutgers, The State University of New Jersey)	UW-Milwaukee	872	0
N/A	20.DTFH61-95-C-055	Superwave Level 2/3 Training and Field Assistance (from Asphalt Institute)	UW-Madison	91,082	0
N/A	20.NCHRP 9-10	Superpave Protocols for Modified Asphalt Binders (from Asphalt Institute)	UW-Madison	134,382	0
N/A	20.AGR dtd 6/9/00	Madison Beltline Pilot ITS Deployment-Traffic Study (from HNTB Engineering Corporation)	UW-Madison	7,487	0
N/A	20.HR 20-27(3)	Guidelines for the Implementation of Multimodal Transportation Location Referencing Systems (from National Academy of Sciences)	UW-Madison	65,096	0
N/A	20.HR20-47	Quality and Accuracy of Positional Data in Transportation (from National Academy of Sciences)	UW-Madison	42,403	0
N/A	20.RD	R&D Subgrants (from National Academy of Sciences)	UW-Madison	22,600	0
N/A	20.S700053	Improved Contracting Methods for Highway Construction Projects (from Texas A&M Research Foundation)	UW-Madison	20,691	0
N/A	20.1809-55	Miscellaneous Small Contracts (from Minnesota Department of Transportation)	UW-La Crosse	<u>10,246</u>	<u>0</u>
Subtotal R&D Subgrants				<u>403,908</u>	<u>759</u>
TOTAL R&D FROM U.S. DEPARTMENT OF TRANSPORTATION				<u>652,535</u>	<u>759</u>
U.S. DEPARTMENT OF THE TREASURY:					
R&D Subgrants:					
N/A	21.AGR dtd 5/8/00	Hastings Army Reserve (from Adecco Technical)	UW-La Crosse	<u>1,026</u>	<u>0</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:					
43.001		Aerospace Education Services Program	UW-Milwaukee	22,001	0
43.001		Aerospace Education Services Program (from UW-Milwaukee)	UW-La Crosse	3,410	0
43.001		Aerospace Education Services Program	UW-Oshkosh	15,632	0
43.001		Aerospace Education Services Program (from UW-Milwaukee)	UW-Oshkosh	<u>910</u>	<u>0</u>
Total Federal Program 43.001				<u>41,953</u>	<u>0</u>
N/A	43.RD	R&D from Ames Research Center	UW-Madison	506,994	0
N/A	43.RD	R&D from Goddard Space Flight Center	UW-Madison	6,377,141	38,483
N/A	43.RD	R&D from NASA Headquarters	UW-Madison	(29,287)	0
N/A	43.RD	R&D from Jet Propulsion Laboratory	UW-Madison	235,766	0
N/A	43.RD	R&D from Langley Research Center	UW-Madison	565,577	40,000
N/A	43.RD	R&D from Langley Space Flight Center	UW-Madison	268,803	0
N/A	43.RD	R&D from Lewis Research Center	UW-Madison	83,688	0
N/A	43.RD	R&D from Marshall Space Flight Center	UW-Madison	2,668,782	385,965
N/A	43.RD	R&D	UW-Madison	1,140,623	0
N/A	43.NCC-1-354-01	Pion Production Cross Sections	UW-Milwaukee	36,792	0
N/A	43.RD	R&D	UW-Milwaukee	3,746	0
N/A	43.NAG8-1210	NASA/University Joint Venture in Space Science	UW-Whitewater	7,450	0
N/A	43.NGT5-40039	Wisconsin Space Grant Consortium (from UW-Milwaukee)	UW-Whitewater	<u>5,966</u>	<u>0</u>
Subtotal Direct R&D Grants				<u>11,913,994</u>	<u>464,448</u>
R&D Subgrants:					
43.002		Technology Transfer (from University of Toledo)	UW-Whitewater	11,722	0
N/A	43.PC033638; 65B-580912	Wide Field Planetary Camera for Space Telescope (from California Institute of Technology)	UW-Madison	30	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	43.2400-60019	Planning of the Observations to be Made Using the Fuse Satellite (from Johns Hopkins University)	UW-Madison	217,130	0
N/A	43.R51516	Combined Synchrotron White Beam X-ray Topography and High Resolution Triple Axis X-ray Diffraction (from Research Foundation of State University of New York)	UW-Madison	64,897	0
N/A	43.GO0-1090A	High-Resolution Spectral Diagnostics of O-Star X-ray Sources (from Smithsonian Astrophysical Observatory)	UW-Madison	4,655	0
N/A	43.GO-02227.05-87A	Determination of the Extragalactic Distance Scale (from Space Telescope Science Institute)	UW-Madison	34,969	0
N/A	43.GO-06472.01-95A	Dynamical Masses for the Stars in the Pre-Main Sequence Spectroscopic Binary (from Space Telescope Science Institute)	UW-Madison	53,407	0
N/A	43.HF-01094.02-97A	Hubble Fellowship Program: Evolution of Star-Forming Galaxies: Bridging the High and Low-Z (from Space Telescope Science Institute)	UW-Madison	53,977	0
N/A	43.AR-08377.01-97A	Multispectral Investigation of Jovian Cloud Structure (from Space Telescope Science Institute)	UW-Madison	27,022	0
N/A	43.AR-08350.01-97	Search for Intergalactic Stars in the Local Group (from Space Telescope Science Institute)	UW-Madison	43,670	0
N/A	43.RD	R&D Subgrants (from Space Telescope Science Institute)	UW-Madison	171,349	0
N/A	43.97-21	Collaborative Support for a High Resolution, Wide Field-of-View Spectrometer for X-ray (from University of California)	UW-Madison	26,331	0
N/A	43.S00008546	Cosmic Origins Spectrograph (from University of Colorado)	UW-Madison	10,915	0
N/A	43.K-0-55025/3912 MOD 1	Healing Response of Injured Rodent Knee Ligaments (from University of Houston)	UW-Madison	12,435	0
N/A	43.RD	R&D Subgrants (from University of Maryland-Baltimore County)	UW-Madison	14,633	0
N/A	43.668134/P44376 2-CO.07	Infrared Algorithm Development for Ocean Observations with Eos/Modis (from University of Miami)	UW-Madison	2,201	0
N/A	43.M08577	Analysis of the IUE Spectra Obtained During the Shoemaker/Levy Encounter (from University of Michigan)	UW-Madison	(108)	0
N/A	43.R4056307201	Upper Midwest Regional Earth Science Application Center (from University of Minnesota)	UW-Madison	106,952	0
N/A	43.922244	Polar Exchange at the Sea Surface (from University of Washington)	UW-Madison	22,086	0
		Subtotal R&D Subgrants		<u>878,273</u>	<u>0</u>
<b>TOTAL R&amp;D FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>				<b>12,792,267</b>	<b>464,448</b>
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:</b>					
45.129		Promotion of the Humanities-Federal/State Partnership (from Wisconsin Humanities Council)	UW-Madison	891	0
45.149		Promotion of the Humanities-Division of Preservation and Access	UW-Madison	533,770	22
45.161		Promotion of the Humanities-Research	UW-Madison	64,086	0
N/A	45.IC-60108-96	IMS Conservation Project Support	UW-Madison	4,050	0
N/A	45.PA-23395-99; PA-23059-57; RE-21280-95; 98-5500-6046	R&D from National Endowment for the Humanities	UW-Madison	71,222	0
<b>TOTAL R&amp;D FROM NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>				<b>674,019</b>	<b>22</b>
<b>NATIONAL SCIENCE FOUNDATION:</b>					
47.041		Engineering Grants	UW-Madison	4,313,831	79,505
47.041		Engineering Grants	UW-Milwaukee	270,346	0
47.041		Engineering Grants	UW-Green Bay	15,445	0
47.041		Engineering Grants	UW-River Falls	17,303	0
		Total Federal Program 47.041		<u>4,616,925</u>	<u>79,505</u>
47.049		Mathematical and Physical Sciences	UW-Madison	14,407,398	493,400
47.049		Mathematical and Physical Sciences	UW-Milwaukee	953,251	10,208
47.049		Mathematical and Physical Sciences	UW-Eau Claire	14,115	0
47.049		Mathematical and Physical Sciences	UW-La Crosse	1,558	0
47.049		Mathematical and Physical Sciences	UW-Oshkosh	28,555	0
47.049		Mathematical and Physical Sciences	UW Colleges	11,026	0
		Total Federal Program 47.049		<u>15,415,903</u>	<u>503,608</u>
47.050		Geosciences	UW-Madison	4,164,525	164,596
47.050		Geosciences	UW-Milwaukee	936,921	42,992
47.050		Geosciences	UW-Eau Claire	20,280	0
47.050		Geosciences	UW-Oshkosh	35,222	0
47.050		Geosciences	UW-Whitewater	24,145	0
		Total Federal Program 47.050		<u>5,181,093</u>	<u>207,588</u>
47.070		Computer and Information Science and Engineering	UW-Madison	3,684,759	0
47.070		Computer and Information Science and Engineering	UW-Milwaukee	279,237	0
		Total Federal Program 47.070		<u>3,963,996</u>	<u>0</u>
47.074		Biological Sciences	UW-Madison	6,442,446	512,592
47.074		Biological Sciences	UW-Milwaukee	358,909	0
47.074		Biological Sciences	UW-Eau Claire	116,403	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
47.074		Biological Sciences	UW-Oshkosh	43,756	0
47.074		Biological Sciences	UW-Whitewater	74,899	0
		Total Federal Program 47.074		7,036,413	512,592
47.075		Social, Behavioral, and Economic Sciences	UW-Madison	1,386,152	38,128
47.075		Social, Behavioral, and Economic Sciences	UW-Milwaukee	36,564	0
47.075		Social, Behavioral, and Economic Sciences	UW-Eau Claire	26,247	0
47.075		Social, Behavioral, and Economic Sciences	UW-Oshkosh	3,595	0
47.075		Social, Behavioral, and Economic Sciences	UW-Whitewater	33,439	0
		Total Federal Program 47.075		1,485,997	38,128
47.076		Education and Human Resources	UW-Madison	5,051,333	1,067,236
47.076		Education and Human Resources	UW-Milwaukee	91,036	0
47.076		Education and Human Resources	UW-Green Bay	38,561	0
47.076		Education and Human Resources	UW-Whitewater	45,359	0
		Total Federal Program 47.076		5,226,289	1,067,236
47.078		Polar Programs	UW-Madison	2,104,433	30,726
47.078		Polar Programs	UW-Milwaukee	11,739	0
47.078		Polar Programs	UW-La Crosse	29,592	0
47.078		Polar Programs	UW-Oshkosh	47,649	0
		Total Federal Program 47.078		2,193,413	30,726
N/A	47.RD	R&D	UW-Madison	84,924	0
		Subtotal Direct R&D Grants		45,204,953	2,439,383
R&D Subgrants:					
47.041	47.737308	Engineering Grants (from Ohio State University)	UW-Madison	13,668	0
47.041	47.1515-UW-NSF-11590	Engineering Grants (from Pennsylvania State University)	UW-Madison	11,088	0
47.041	47.503-1374-1	Engineering Grants (from Purdue University)	UW-Madison	10,812	0
47.041	47.57008; 570028	Engineering Grants (from Texas A&M University)	UW-Madison	449,948	0
47.049	47.IAS-DMS-9900969	Mathematical and Physical Sciences (from Institute for Advanced Study)	UW-Madison	616	0
47.049	47.5710000596	Mathematical and Physical Sciences (from Massachusetts Institute of Technology )	UW-Madison	31,342	0
47.049	47.9810557	Mathematical and Physical Sciences (from Mitoscan Corporation)	UW-Madison	31,141	0
47.049	47.1009444	Mathematical and Physical Sciences (from California Institute of Technology)	UW-Milwaukee	1,873	0
47.050	47.12-223-11406	Geosciences (from University of Nebraska)	UW-Madison	115,803	0
47.050	47.23694	Geosciences (from University of Southern California)	UW-Madison	64,375	0
47.070	47.0830-350-Z601	Computer and Information Science and Engineering (from Northwestern University)	UW-Madison	94,240	0
		WIS			
47.070	47.500-3279-3; 5003564-1	Computer and Information Science and Engineering (from Purdue University)	UW-Madison	99,055	0
47.070	47.795	Computer and Information Science and Engineering (from University of Illinois-Urbana-Champaign)	UW-Madison	769,392	23,345
47.070	47.BE5156	Computer and Information Science and Engineering (from Wright State University)	UW-Milwaukee	8,367	0
47.074	47.61-2558W	Biological Sciences (from Michigan State University)	UW-Madison	513,580	0
47.074	47.805465	Biological Sciences (from Ohio State University Research Foundation)	UW-Madison	8,189	0
47.074	47.P0001702	Biological Sciences (from San Diego State University Foundation)	UW-Madison	3,999	0
47.074	47.PF902416	Biological Sciences (from University of Alaska Fairbanks)	UW-Madison	(193)	0
47.074	47.991365971	Biological Sciences (from University of California-Davis)	UW-Madison	44,647	0
47.074	47.RR167-348/9266954	Biological Sciences (from University of Georgia)	UW-Madison	46,343	0
47.075	47.542818-55148	Social, Behavioral, and Economic Sciences (from Carnegie Mellon University)	UW-Madison	59,749	0
47.075	47.00-242	Social, Behavioral, and Economic Sciences (from University of Illinois)	UW-Madison	33,133	0
47.076	47.AGR dtd	Education and Human Resources (from Council of Chief State School Officers)	UW-Madison	41,111	0
		11/16/98			
47.076	47.AGR dtd	Education and Human Resources (from Education Development Center, Inc.)	UW-Madison	14,744	0
		10/1/99			
47.076	47.AGR dtd	Education and Human Resources (from Madison Area Technical College)	UW-Madison	12,827	0
		10/15/99			
47.076	47.R36040-24600098	Education and Human Resources (from Rice University)	UW-Madison	62,860	0
47.076	47.00-296	Education and Human Resources (from University of Illinois)	UW-Madison	61,730	0
47.076	47.00S018/22642	Education and Human Resources (from University of Massachusetts)	UW-Madison	3,129	0
47.076	47.ESI-9714999/WI	Education and Human Resources (from University of Missouri)	UW-Madison	200,119	85,000
47.078	47.1016-06	Polar Programs (from H T Harvey and Associates)	UW-Madison	386	0
47.078	47.AGR dtd	Polar Programs (from University of Chicago)	UW-Madison	57,455	0
		11/12/97			
N/A	47.GC 154889NGA	Morphological Deringing Algorithm for Image Post Processing (from Boston University)	UW-Madison	6,690	0
N/A	47.98-SC-NSF-1003	Prototyping Biomolecular Computations (from Duke University)	UW-Madison	109,584	0
N/A	47.AGR dtd	Isolation of DNA Promoters Induced by Environmental Stimuli and Their Use (from Enviroaen)	UW-Madison	41,862	0
		11/20/97			

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	47.IAS-DMS-9412914	Park City/LAS Mathematics Institute (from Institute for Advanced Study)	UW-Madison	14,439	0
N/A	47.AGR dtd 3/17/99	Data Documentation Initiative Beta Test (from Interuniversity Consortium for Political)	UW-Madison	1,231	0
N/A	47.AGR dtd 7/27/98	Measure Up: Dimensional Metrology and Iso 9001 (from Madison Area Technical College)	UW-Madison	3,300	0
N/A	47.AGR dtd 5/1/97	Consequences of Land Change for Biodiversity (from Mars Hill College)	UW-Madison	3,000	0
N/A	47.AGR dtd 5/3/99	Math is Everywhere: Public Understanding and Engagement Mathematics Initiative (from National Council of Teachers of Mathematics)	UW-Madison	16,651	0
N/A	47.AGR dtd 3/2/99	Variscan Tectonometamorphic Evolution of the Southcarpathians, Romania: Evidence from Ecloquite (from National Research Council)	UW-Madison	4,636	0
N/A	47.0830-350-C697UW	Geoenvironmental Engineering: New and Strategic Curriculum (from Northwestern University)	UW-Madison	54,846	0
N/A	47.341-6066-1	Magnetic Resonance Imaging with Laser Polarized He-3 and Xe-129 of Biological and Non-biological (from Princeton University)	UW-Madison	38,380	0
N/A	47.17-000096	Testbed for New Models of Online Teachers Professional Development (from Sri International)	UW-Madison	9,441	0
N/A	47.Y541716	Functional Genomics of Chromatin: Global Control of Plant Gene Expression (from University of Arizona)	UW-Madison	223,766	0
N/A	47.SA2661JB	Development of Tools for Potato Functional Genomics: Application to Disease Resistance (from University of California-Berkeley)	UW-Madison	103,672	0
N/A	47.10152751	National Partnership for Academic Computing Infrastructure (from University of California-San Diego)	UW-Madison	612,936	51,758
N/A	47.OR8823.01	Development of a World Wide Web-Based Textbook on Molecular Simulation: Dynamic Approach (from University of Tennessee)	UW-Madison	9,109	0
N/A	47.UT-5-A0850-MH	Fabrication of Global Positioning System Based Absolute-Time Shot System (from University of Texas-Austin)	UW-Madison	36	0
N/A	47.297254	Protein-Rna Interactions (from University of Washington)	UW-Madison	108,275	0
N/A	47.523201/P236316	Genetic Organization and Epigenetic Silencing of R-Marbled Maize (from Virginia Commonwealth University)	UW-Madison	7,187	0
N/A	47.CR-19126-427756/427806	CPES-HPD Subthrust 4 (from Virginia Polytechnic Institute and State University)	UW-Madison	187,213	0
N/A	47.CR-19126-427756/427807	CPES-HPD Subthrust 6 (from Virginia Polytechnic Institute and State University)	UW-Madison	174,502	0
N/A	47.CR-19126-427756/427810	CPES-IPEM Subthrust 5 (from Virginia Polytechnic Institute and State University)	UW-Madison	129,796	0
N/A	47.CR-19126-427756/427809	ERC in Power Electronic Systems Management-Subthrust 9 (from Virginia Polytechnic Institute and State University)	UW-Madison	183,616	0
N/A	47.RD	R&D Subgrants (from Virginia Polytechnic Institute and State University)	UW-Madison	6,949	0
		Subtotal R&D Subgrants		4,916,645	160,103
		TOTAL R&D FROM NATIONAL SCIENCE FOUNDATION		50,121,598	2,599,486
59.005		U.S. SMALL BUSINESS ADMINISTRATION: Business Development Assistance to Small Business	UW-Oshkosh	752	0
N/A	64.RD	U.S. DEPARTMENT OF VETERANS AFFAIRS: R&D	UW-Madison	8,351	0
66.469		U.S. ENVIRONMENTAL PROTECTION AGENCY: Great Lakes Program	UW-Milwaukee	15,468	0
66.500		Environmental Protection-Consolidated Research	UW-Madison	216,588	0
66.500		Environmental Protection-Consolidated Research	UW-La Crosse	187,785	148,030
66.500		Environmental Protection-Consolidated Research (from UW-Madison)	UW-Stout	4,199	0
		Total Federal Program 66.500		408,572	148,030
N/A	66.RD	R&D	UW-Madison	618,075	15,472
N/A	66.X-97521701	Facilitation of Ecosystem Management and Lakewide Management Planning	UW-Green Bay	68,657	0
N/A	66.8D-1337-NA	Creating and Documenting New Testing Protocol on the Fathead Minnow	UW-Superior	2,119	0
		Subtotal Direct R&D Grants		1,112,891	163,502
66.500	66.F001527	R&D Subgrants: Environmental Protection-Consolidated Research (from University of Michigan)	UW-Milwaukee	2,304	0
66.501	66.1-92U-5974	Air Pollution Control Research (from Research Triangle Institute)	UW-Madison	3,593	0
N/A	66.AGR 441	Determination of Removal Efficiencies of Emerging Waterborne Pathogens by Conventional (from American Water Works Association)	UW-Madison	18,829	0
N/A	66.375-837-1	Investigation of Methods for Perchlorate Destruction in Aqueous Waste Streams (from Clarkson University)	UW-Madison	(968)	0
N/A	66.99-13	Characterization of Emissions and Human Exposure to Metals Emitted from Motor Vehicles (from Health Effects Institute)	UW-Madison	66,472	0
N/A	66.960238Z1	Integration of Environmentally Conscious Manufacturing and Demanufacturing (from Michigan Technological University)	UW-Madison	73,982	0
N/A	66.960238Z1	Selective Catalytic Hydrogenation of Lactic Acid (from Michigan Technological University)	UW-Madison	111,142	0
N/A	66.960238Z1	Tin Zeolite Catalysts for Partial Oxidation with Hydrogen Peroxide (from Michigan Technological University)	UW-Madison	77,310	0
N/A	66.RD	R&D Subgrants (from Michigan Technological University)	UW-Madison	9,023	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	66.4600001825	Alternative Cover Assessment Program (from Science Application International Corporation)	UW-Madison	225,380	0
N/A	66.AGR dtd 1/6/00	Development of Thermal Spray Circuit Board Technology to Replace Electroplating and Print (from Thermal Spray Technologies)	UW-Madison	13,332	0
N/A	66.99-306	Midwest Technology Assistance Center for Small Public Water Systems (from University of Illinois)	UW-Madison	45,124	7,200
N/A	66.AGR dtd 7/19/00	Implementing IPM Through Public-Private Partnerships (from Wisconsin Potato and Vegetable Growers)	UW-Madison	9,144	0
N/A	66.651	Innovative Community Partnership (from Sixteenth Street Community Health Center)	UW-Milwaukee	16,203	0
N/A	66.AGR dtd 8/17/99	Lake Michigan Tributary Monitoring Project (from Great Lakes Commission)	UW-Green Bay	21,945	3,392
		Subtotal R&D Subgrants		<u>692,815</u>	<u>10,592</u>
TOTAL R&D FROM U.S. ENVIRONMENTAL PROTECTION AGENCY				<u>1,805,706</u>	<u>174,094</u>
U.S. NUCLEAR REGULATORY COMMISSION:					
N/A	77.NRC-02-00-009	Derivation of Conditional Probabilities for Errors in High Dose-Rate Brachytherapy	UW-Madison	5,957	0
N/A	77.NRC-04-94-036	Fuel-Coolant Interaction Experiments and Analysis	UW-Madison	1,312	0
N/A	77.NRC-04-97-064	Human Performance in Complex Systems	UW-Madison	122,503	46,183
N/A	77.DR-00-0079	Technical Support for Molten Fuel Coolant Interactions Research	UW-Madison	<u>17,868</u>	<u>0</u>
		Subtotal Direct R&D Grants		<u>147,640</u>	<u>46,183</u>
R&D Subgrants:					
N/A	77.640-0812-1	Experimental Investigation of Interfacial Area Transport (from Purdue University)	UW-Milwaukee	<u>80,110</u>	<u>0</u>
TOTAL R&D FROM U.S. NUCLEAR REGULATORY COMMISSION				<u>227,750</u>	<u>46,183</u>
U.S. DEPARTMENT OF ENERGY:					
81.049		Office of Science Financial Assistance Program	UW-Madison	13,766,971	448,522
81.049		Office of Science Financial Assistance Program	UW-Milwaukee	<u>237,463</u>	<u>0</u>
		Total Federal Program 81.049		<u>14,004,434</u>	<u>448,522</u>
Conservation Research and Development					
81.086		Conservation Research and Development	UW-Madison	100,301	0
81.086		Conservation Research and Development	UW-Milwaukee	<u>16,324</u>	<u>0</u>
		Total Federal Program 81.086		<u>116,625</u>	<u>0</u>
Renewable Energy Research and Development					
81.087		Renewable Energy Research and Development	UW-Milwaukee	7,288	0
81.114		University Nuclear Science and Reactor Support	UW-Madison	38,950	0
N/A	81.RD	R&D	UW-Madison	7,095,918	315,505
N/A	81.DE-FC07-93ID13236	Development of Lead-Free Copper Alloy-Graphite Castings	UW-Milwaukee	5,953	0
		Subtotal Direct R&D Grants		<u>21,269,168</u>	<u>764,027</u>
R&D Subgrants:					
81.049		Office of Science Financial Assistance Program (from University of Southern California)	UW-Madison	25,267	0
81.049	81.281658-A9E	Office of Science Financial Assistance Program (from Battelle Pacific Northwest National Laboratory)	UW-Milwaukee	45,039	0
81.049	81.XCI-8-17063-01	Office of Science Financial Assistance Program (from National Renewable Energy Laboratory)	UW-Milwaukee	1,155	0
81.078	81.4-28791; DE-FC01-97EE41318	Industrial Assessment Centers (from Rutgers, The State University of New Jersey)	UW-Milwaukee	184,490	0
81.078	81.98-00241	Industrial Assessment Centers (from SCRA Trident Research Center)	UW-Milwaukee	(25)	0
81.087		Renewable Energy Research and Development (from Consortium for Plant Biotechnology Research)	UW-Madison	397,431	0
N/A	81.AGR dtd 12/17/90	High Temperature Catalytic Membrane Reactor (from ALCOA Separations Technology Division)	UW-Madison	(10,362)	0
N/A	81.AGR dtd 7/2/00	Advanced Evaluations of Bscoco-2223 Superconducting Composites (from American Superconductor Corporation)	UW-Madison	20,364	0
N/A	81.9E-23465	Model to the Physical Climate System (from Argonne National Laboratory)	UW-Madison	47,943	0
N/A	81.982642401	Modeling Studies of Selective Oxygen-Enrichment of Combustion Air in a Diesel Engine for Reduced Nox (from Argonne National Laboratory)	UW-Madison	105,284	0
N/A	81.RD	R&D Subgrants (from Argonne National Laboratory)	UW-Madison	28,355	0
N/A	81.354491-AQ5	Maintenance and Support of Operational Arm Aeri Systems-Task 5 and 6 (from Battelle Memorial Institute Pacific Northwest)	UW-Madison	48,031	0
N/A	81.782-21635	Collaborative Exploration of Processes of Decadal and Multi-Century Variability (from Brown University)	UW-Madison	3,144	0
N/A	81.PC218385	Investigation of Novel Electrode Materials for Electrochemically Based Remediation High (from California Institute of Technology)	UW-Madison	9,803	0
N/A	81.96-01-SR043	Detailed Flow and Thermal Field Measurements on a Scaled-Up Stator Vane (from Clemson University Research Foundation)	UW-Madison	149,232	83,654
N/A	81.507542	Strand Development Program for High Gradient Quadrupoles (from Fermi National Accelerator Laboratory)	UW-Madison	3,078	0
N/A	81.6485886	Incorporation of Photovoltaic Simulation in Energyplus and Research on Integration of Energy (from Lawrence Berkeley National Laboratory)	UW-Madison	18,000	0
N/A	81.B504964	Paradyne Performance Tools on the Aix Platform (from Lawrence Livermore National Laboratory)	UW-Madison	82,485	0
N/A	81.RD	R&D Subgrants (from Los Alamos National Laboratory)	UW-Madison	15,111	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	81.XCI-9-29059	Develop Efficient Gene Expression Systems in Lactobacilli (from National Renewable Energy Laboratory)	UW-Madison	38,607	0
N/A	81.XCX-9-29204	Design and Test of a Resonant DC Voltage Link Conversion System (from National Renewable Energy Laboratory)	UW-Madison	50,320	0
N/A	81.ZDH-9-29009	Development and Commercialization of New Ethanol Producing Strains: Metabolic Engineering of Yeasts (from National Renewable Energy Laboratory)	UW-Madison	54,078	0
N/A	81.RD	R&D Subgrants (from National Renewable Energy Laboratory)	UW-Madison	18,657	0
N/A	81.AGR dtd 10/1/98	Neutron Detection System (from Princeton Electronic Systems, Inc.)	UW-Madison	19,777	0
N/A	81.LF-4618	Computer Modeling of Combustion and Emissions in Small Direct Injection Compression Ignition (from Sandia National Laboratories)	UW-Madison	155,665	0
N/A	81.AV-4698	Feature-Based and Virtual Geometry Decomposition (from Sandia National Laboratories)	UW-Madison	78,425	0
N/A	81.BB-2641	In-Situ Clay Formation: New Technology for Stable Containment Barriers (from Sandia National Laboratories)	UW-Madison	37,554	0
N/A	81.BG-4891	Numerical Analysis of Logging in Deviated Oil Wells and Geothermal Reservoirs (from Sandia National Laboratories)	UW-Madison	73,529	0
N/A	81.BF-2914	Surface Micromachined Thermo-Mechanical Actuators for High Force/Low Drive-Voltage Applications (from Sandia National Laboratories)	UW-Madison	34,860	0
N/A	81.BF-9234	Use of Metamodels to Study Interaction Between Variability, Error and Uncertainty (from Sandia National Laboratories)	UW-Madison	38,544	0
N/A	81.BB-3609	X-1 High Yield Test Chamber Design and Analysis (from Sandia National Laboratories)	UW-Madison	311,499	0
N/A	81.RD	R&D Subgrants (from Sandia National Laboratories)	UW-Madison	86,999	0
N/A	81.SPO	Statistical Trend Analysis of Total Ozone and Ultraviolet-B Radiation Data (from University of Colorado)	UW-Madison	37,138	0
N/A	BS0054752/UCB15 3-2103	Genetic Factors Affecting Susceptibility to Low-Dose Radiation (from University of Maryland)	UW-Madison	49,313	0
N/A	81.AGR dtd 11/3/99	Radiation Hydrodynamics Computer Code Development (from University of Rochester)	UW-Madison	275,579	85,792
N/A	81.64212H	New Heterogeneous Catalysts for Selective Reduction of Nox Emissions to Improve Vehicular (from University of South Carolina)	UW-Madison	8,094	0
N/A	81.19X-SZ718C	Fundamental Studies of Key Issues Underlying the Technology of High Temperature Superconductor (from UT-Battelle)	UW-Madison	665,774	0
		Subtotal R&D Subgrants		3,208,237	169,446
		TOTAL R&D FROM U.S. DEPARTMENT OF ENERGY		24,477,405	933,473
U.S. DEPARTMENT OF EDUCATION:					
84.017		International Research and Studies	UW-Madison	130,519	0
84.019		International: Overseas-Faculty Research Abroad	UW-Madison	11,995	0
84.021		International: Overseas-Group Projects Abroad	UW-Madison	88,747	32,486
84.022		International: Overseas-Doctoral Dissertation	UW-Madison	72,964	0
84.023		Special Education-Innovation and Development	UW-Madison	384,822	50,000
84.086		Special Education-Program for Severely Disabled Children	UW-Madison	156,627	55,026
84.116		Fund for the Improvement of Postsecondary Education	UW-Madison	106,768	9,858
84.133		National Institute on Disability and Rehabilitation Research	UW-Madison	1,550,201	209,193
84.133		National Institute on Disability and Rehabilitation Research	UW-Stout	850,947	141,060
		Total Federal Program 84.133		2,401,148	350,253
84.158		Secondary Education and Transitional Services for Youth with Disabilities	UW-Madison	529,250	87,500
84.229		Language Resource Centers	UW-Madison	120,190	0
84.274		American Overseas Research Centers	UW-Madison	88,008	55,690
84.283		Comprehensive Regional Assistance Centers	UW-Madison	2,013,598	634,659
84.305		National Institute on Student Achievement, Curriculum, and Assessment	UW-Madison	2,675,183	1,009,795
84.306		National Institute on the Education of At-Risk Students	UW-Madison	138,567	39,607
84.308		National Institute on Educational Governance, Finance, Policymaking, and Management	UW-Madison	112,837	0
84.324		Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities	UW-Madison	443,931	0
84.325		Child Care Access Means Parents in School	UW-Madison	46,054	0
N/A	84.R306F60055	Long-Term Effects of Chicago Child-Parent Centers	UW-Madison	88,404	34,965
		Subtotal Direct R&D Grants		9,609,612	2,359,839
R&D Subgrants:					
84.027	84.067077	Special Education-Grants to States (from Cooperative Educational Service Agency #1)	UW-Milwaukee	48,658	0
84.184		Safe and Drug-Free Schools and Communities-National Programs (from Andrews University)	UW-La Crosse	12,860	0
84.324	84.0698.10.179D-2	Special Education-Research and Innovation to Improve Services and Results for Children with Disabilities (from University of Colorado-Denver)	UW-Milwaukee	6,414	0
N/A	84.AGR dtd 4/17/98	Pressure Ulcer Prevention with Interactive Learning (from Case Western Reserve University)	UW-Madison	(17,172)	0
N/A	84.98-004	Validity of National Board for Professional Teaching Standards National Partnership (from Columbia University)	UW-Madison	37,168	0
N/A	84.900000747; 98-000073	Telecommunications Rerc (from Gallaudet University)	UW-Madison	36,345	0
N/A	84.61-5275B	Teacher Research as a Source for Teacher Learning Partnerships for Excellence and Accountability (from Michigan State University)	UW-Madison	18,788	0
N/A	84.320-2674B; 96-7	National Research Center on Improving Student Achievement In English (from Research Foundation of State University of New York)	UW-Madison	769,969	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	84.SA1062-32364Z	Changing Admission Procedures in Four-Year Colleges to Support K-12 Reform (from University of California-Berkeley)	UW-Madison	26,755	0
N/A	84.RD	R&D Subgrants (from University of California-Berkeley)	UW-Madison	20,034	0
N/A	84.AGR dtd 11/12/99	Hormonal Risk Factors for Dementia in Women with Down Syndrome (from University of Illinois-Chicago)	UW-Madison	35,556	0
N/A	84.AGR dtd 5/3/99	Aging Families of Adults with Mental Retardation (from University of Illinois-Chicago)	UW-Madison	21,723	0
N/A	84.5-24378-D	Consortium for Policy Research in Education (from University of Pennsylvania)	UW-Madison	581,470	0
N/A	84.RF816263	Contextual Teaching and Learning (from Ohio State University Research Foundation)	UW-Milwaukee	112,725	0
N/A	84.H024S960008	Early Education for Children with Disabilities (from Orelena Hawks Puckett Institute)	UW-Milwaukee	20,227	0
N/A	84.97-1801- H02456006-03	Early Education for Children with Disabilities (from University of Illinois)	UW-Milwaukee	50,991	0
N/A	84.H023C70161-UF98052	Special Education-Innovation and Development (from University of Florida)	UW-Milwaukee	35,170	0
Subtotal R&D Subgrants				<u>1,817,681</u>	<u>0</u>
TOTAL R&D FROM U.S. DEPARTMENT OF EDUCATION				<u>11,427,293</u>	<u>2,359,839</u>
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:					
89.003		National Historical Publications and Records Grants	UW-Madison	160,000	0
N/A	89.96-017; 97-020; 98-009	Documentary History of the Ratification of the Constitution	UW-Madison	43,167	0
TOTAL R&D FROM NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				<u>203,167</u>	<u>0</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.103		Food and Drug Administration-Research	UW-Madison	299,614	0
93.110		Maternal and Child Health Federal Consolidated Programs	UW-Madison	605,919	0
93.113		Biological Response to Environmental Health Hazards	UW-Madison	1,698,462	160,339
93.113		Biological Response to Environmental Health Hazards	UW-Milwaukee	362,673	115,330
Total Federal Program 93.113				<u>2,061,135</u>	<u>275,669</u>
93.114		Applied Toxicological Research and Testing	UW-Madison	153,309	0
93.114		Applied Toxicological Research and Testing	UW-Milwaukee	36,322	0
93.114		Applied Toxicological Research and Testing	UW-Oshkosh	73	0
Total Federal Program 93.114				<u>189,704</u>	<u>0</u>
93.121		Oral Diseases and Disorders Research	UW-Madison	426,048	0
93.121		Oral Diseases and Disorders Research	UW-Milwaukee	14,539	0
Total Federal Program 93.121				<u>440,587</u>	<u>0</u>
93.161		Health Program for Toxic Substances and Disease Registry	UW-Milwaukee	249,718	14,999
93.172		Human Genome Research	UW-Madison	1,692,018	100,150
93.173		Research Related to Deafness and Communication Disorders	UW-Madison	4,465,900	50,295
93.173		Research Related to Deafness and Communication Disorders	UW-Milwaukee	250,159	0
Total Federal Program 93.173				<u>4,716,059</u>	<u>50,295</u>
93.213		Research and Training in Alternative Medicine	UW-Madison	84,583	0
93.226		Research on Healthcare Costs, Quality and Outcomes	UW-Madison	740,213	115,121
93.230		Consolidated Knowledge Development and Application Program	UW-Madison	561,682	0
93.236		Grants for Dental Public Health Residency Training	UW-Madison	32,821	0
93.239		Policy Research and Evaluation Grants	UW-Madison	597,245	120,841
93.242		Mental Health Research Grants	UW-Madison	7,437,509	402,137
93.242		Mental Health Research Grants	UW-Milwaukee	232,381	0
93.242		Mental Health Research Grants	UW-Whitewater	54,459	0
Total Federal Program 93.242				<u>7,724,349</u>	<u>402,137</u>
93.262		Occupational Safety and Health Research Grants	UW-Madison	490,704	0
93.271		Alcohol Research Career Development Awards for Scientists and Clinicians	UW-Madison	31,077	0
93.273		Alcohol Research Programs	UW-Madison	602,765	27,781
93.273		Alcohol Research Programs	UW-Milwaukee	168,637	0
Total Federal Program 93.273				<u>771,402</u>	<u>27,781</u>
93.277		Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	UW-Madison	65,667	0
93.278		Drug Abuse National Research Service Awards for Research Training	UW-Milwaukee	24,906	0
93.279		Drug Abuse Research Programs	UW-Madison	1,262,129	136,185
93.279		Drug Abuse Research Programs	UW-Milwaukee	41,230	0
Total Federal Program 93.279				<u>1,303,359</u>	<u>136,185</u>
93.281		Mental Health Research Career/Scientist Development Awards	UW-Madison	298,803	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Madison	131,781	0
93.282		Mental Health National Research Service Awards for Research Training	UW-Milwaukee	15,141	0
Total Federal Program 93.282				<u>146,922</u>	<u>0</u>

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Madison	255,009	0
93.283		Centers for Disease Control and Prevention-Investigations and Technical Assistance	UW-Milwaukee	<u>9,596</u>	<u>0</u>
		Total Federal Program 93.283		<u>264,605</u>	<u>0</u>
93.306		Comparative Medicine	UW-Madison	9,771,034	10,723
93.333		Clinical Research	UW-Madison	2,239,269	1,436,786
93.337		Biomedical Research Support	UW-Madison	(13,200)	0
93.361		Nursing Research	UW-Madison	494,477	0
93.361		Nursing Research	UW-Milwaukee	<u>118,038</u>	<u>0</u>
		Total Federal Program 93.361		<u>612,515</u>	<u>0</u>
93.371		Biomedical Technology	UW-Madison	2,219,425	0
93.371		Biomedical Technology	UW-Milwaukee	<u>25,794</u>	<u>0</u>
		Total Federal Program 93.371		<u>2,245,219</u>	<u>0</u>
93.389		Research Infrastructure	UW-Madison	99,961	0
93.390		Academic Research Enhancement Award	UW-Milwaukee	104,519	0
93.390		Academic Research Enhancement Award	UW-Green Bay	15,028	0
93.390		Academic Research Enhancement Award	UW-La Crosse	<u>29,751</u>	<u>0</u>
		Total Federal Program 93.390		<u>149,298</u>	<u>0</u>
93.393		Cancer Cause and Prevention Research	UW-Madison	8,887,818	398,536
93.394		Cancer Detection and Diagnosis Research	UW-Madison	214,984	0
93.395		Cancer Treatment Research	UW-Madison	3,813,864	279,751
93.395		Cancer Treatment Research	UW-Milwaukee	<u>172,807</u>	<u>32,409</u>
		Total Federal Program 93.395		<u>3,986,671</u>	<u>312,160</u>
93.396		Cancer Biology Research	UW-Madison	2,749,619	76,322
93.397		Cancer Centers Support Grants	UW-Madison	5,652,373	0
93.398		Cancer Research Manpower	UW-Madison	731,143	19,848
93.399		Cancer Control	UW-Madison	1,594,667	116,554
93.632		Developmental Disabilities University Affiliated Programs	UW-Madison	1,164,731	0
93.779		Health Care Financing Research, Demonstrations and Evaluations	UW-Madison	2,929	0
93.821		Cell Biology and Biophysics Research	UW-Madison	4,520,825	0
93.821		Cell Biology and Biophysics Research	UW-Milwaukee	<u>88,106</u>	<u>0</u>
		Total Federal Program 93.821		<u>4,608,931</u>	<u>0</u>
93.824		Basic/Core Area Health Education Centers	UW-Madison	45,470	42,102
93.837		Heart and Vascular Diseases Research	UW-Madison	8,134,993	203,903
93.838		Lung Diseases Research	UW-Madison	4,433,651	110,156
93.839		Blood Diseases and Resources Research	UW-Madison	2,667,264	92,193
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Madison	1,661,998	100,277
93.846		Arthritis, Musculoskeletal and Skin Diseases Research	UW-Milwaukee	<u>14,312</u>	<u>0</u>
		Total Federal Program 93.846		<u>1,676,310</u>	<u>100,277</u>
93.847		Diabetes, Endocrinology and Metabolism Research	UW-Madison	3,226,637	59,469
93.847		Diabetes, Endocrinology and Metabolism Research	UW-Milwaukee	28,151	0
93.847		Diabetes, Endocrinology and Metabolism Research	UW-La Crosse	<u>8,002</u>	<u>0</u>
		Total Federal Program 93.847		<u>3,262,790</u>	<u>59,469</u>
93.848		Digestive Diseases and Nutrition Research	UW-Madison	1,360,016	9,798
93.849		Kidney Diseases, Urology and Hematology Research	UW-Madison	1,955,545	0
93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	UW-Madison	741,629	105,675
93.854		Biological Basis Research in the Neurosciences	UW-Madison	4,802,689	28,241
93.854		Biological Basis Research in the Neurosciences	UW-Milwaukee	<u>374</u>	<u>0</u>
		Total Federal Program 93.854		<u>4,803,063</u>	<u>28,241</u>
93.855		Allergy, Immunology and Transplantation Research	UW-Madison	3,040,108	0
93.855		Allergy, Immunology and Transplantation Research	UW-Milwaukee	<u>55,696</u>	<u>0</u>
		Total Federal Program 93.855		<u>3,095,804</u>	<u>0</u>
93.856		Microbiology and Infectious Diseases Research	UW-Madison	13,367,924	231,832
93.856		Microbiology and Infectious Diseases Research	UW-La Crosse	<u>23,090</u>	<u>0</u>
		Total Federal Program 93.856		<u>13,391,014</u>	<u>231,832</u>
93.859		Pharmacology, Physiology, and Biological Chemistry Research	UW-Madison	6,511,647	35,398
93.862		Genetics and Developmental Biology Research and Research Training	UW-Madison	6,399,641	0
93.862		Genetics and Developmental Biology Research and Research Training	UW-Milwaukee	1,000	0
93.862		Genetics and Developmental Biology Research and Research Training	UW-Parkside	<u>140,164</u>	<u>0</u>
		Total Federal Program 93.862		<u>6,540,805</u>	<u>0</u>

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FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.864		Population Research	UW-Madison	2,886,912	0
93.864		Population Research	UW-Green Bay	43,695	0
		Total Federal Program 93.864		2,930,607	0
93.865		Center for Research for Mothers and Children	UW-Madison	2,641,551	168,174
93.865		Center for Research for Mothers and Children	UW-Milwaukee	63,815	4,770
		Total Federal Program 93.865		2,705,366	172,944
93.866		Aging Research	UW-Madison	4,853,198	258,741
93.866		Aging Research	UW-River Falls	6,049	0
		Total Federal Program 93.866		4,859,247	258,741
93.867		Vision Research	UW-Madison	4,808,109	222,416
93.879		Medical Library Assistance	UW-Madison	1,760,795	347,707
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Madison	1,058,648	0
93.894		Resource and Manpower Development in the Environmental Health Sciences	UW-Milwaukee	458,991	0
		Total Federal Program 93.894		1,517,639	0
93.895		Grants for Faculty Development in Family Medicine	UW-Madison	7,399	0
93.896		Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	UW-Madison	117,702	0
93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UW-Madison	27,226	0
93.934		Fogarty International Research Collaboration Award	UW-Madison	25,200	0
93.960		Special Minority Initiatives	UW-La Crosse	69,177	28,664
93.989		Senior International Fellowships	UW-Madison	4,844	0
N/A	93.RD	R&D from Office of the Secretary	UW-Madison	241,752	0
N/A	93.RD	R&D from Health Care Financing Administration	UW-Madison	855,616	689,335
N/A	93.RD	R&D from Substance Abuse and Mental Health Services Administration	UW-Madison	21	0
N/A	93.RD	R&D from National Institutes of Health	UW-Madison	2,483,478	0
		Subtotal Direct R&D Grants		149,125,233	6,352,958
R&D Subgrants:					
93.173	93.AGR dtd 12/17/99: 3/23/00	Research Related to Deafness and Communication Disorders (from American Speech, Language and Hearing Association)	UW-Madison	190,535	0
93.173	93.AGR dtd 12/15/99: 1/25/00	Research Related to Deafness and Communication Disorders (from Case Western Reserve University)	UW-Madison	32,938	0
93.173	93.P432193/Y432193	Research Related to Deafness and Communication Disorders (from University of Arizona)	UW-Madison	77,763	0
93.173	93.4000019754:400039409; 4000040895	Research Related to Deafness and Communication Disorders (from University of Iowa)	UW-Madison	108,703	0
93.242	93.GC 00402	Mental Health Research Grants (from University of Massachusetts Medical Center)	UW-Madison	5,521	0
93.242	93.R01MH57545-04	Mental Health Research Grants (from Eastern Virginia Medical School)	UW-Milwaukee	60,421	0
93.242	93.R01MH57545-03	Mental Health Research Grants (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	99,604	0
93.262	93.U50/CCU51124 8-04	Occupational Safety and Health Research Grants (from Milwaukee Women's Center)	UW-Milwaukee	30,312	0
93.283	93.5 F31 MH11722 02	Centers for Disease Control and Prevention-Investigations and Technical Assistance (from City of Milwaukee)	UW-Milwaukee	91,682	0
93.306	93.ORPRC 035339	Comparative Medicine (from Oregon Regional Primate Center)	UW-Madison	66,471	0
93.306	93.GC 90626	Comparative Medicine (from University of Massachusetts Medical Center)	UW-Madison	90,387	0
93.333	93.990901	Clinical Research (from Gammex, Inc.)	UW-Madison	21,574	0
93.361	93.AGR dtd 8/22/97	Nursing Research (from Case Western Reserve University)	UW-Madison	(9,907)	0
93.393	93.737322	Cancer Cause and Prevention Research (from Ohio State University Research Foundation)	UW-Madison	48,520	0
93.393	93.4-62233-99-22	Cancer Cause and Prevention Research (from University of Kentucky Research Foundation)	UW-Madison	80,278	0
93.398	93.AGR dtd 9/28/99	Cancer Research Manpower (from Medical College of Wisconsin, Inc.)	UW-Madison	15,394	0
93.399	93.PFED15-WIS-01	Cancer Control (from NSAPB Foundation, Inc.)	UW-Madison	28,480	0
93.399	93.410081-G; 410980-G	Cancer Control (from University of Rochester)	UW-Madison	2,329	0
93.399	93.5 R03 CA73727 02	Cancer Control (from Medical College of Wisconsin, Inc.)	UW-Milwaukee	3,173	0
93.600		Head Start (from Wisconsin Head Start State Collaboration)	UW-Milwaukee	3,771	0
93.778	93.AGR dtd 2/21/00	Medical Assistance Program (from University of Missouri)	UW-Madison	24,605	0
93.824	93.AGR dtd 5/1/99	Basic/Core Area Health Education Centers (from Southwest Wisconsin Area Health Education Center, Inc.)	UW-Madison	20,000	0
93.837	93.AGR dtd 9/9/98	Heart and Vascular Diseases Research (from University of Florida)	UW-Madison	(373)	0
93.848	93.96-015	Digestive Diseases and Nutrition Research (from University of Texas Medical Branch)	UW-Madison	10,188	0
93.849	93.CK 262562	Kidney Diseases, Urology and Hematology Research (from Long Island Jewish Medical Center)	UW-Madison	1,098	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
93.853	93.AGR dtd 3/4/98	Extramural Research Programs in the Neurosciences and Neurological Disorders (from Wake Forest University)	UW-Madison	1,288	0
93.854	93.AGR dtd 5/11/99	Biological Basis Research in the Neurosciences (from Cleveland Clinic Research Foundation)	UW-Madison	12,189	0
93.854	93.AGR dtd 1/10/00	Biological Basis Research in the Neurosciences (from University of Alabama)	UW-Madison	6,747	0
93.855	93.5-32027	Allergy, Immunology and Transplantation Research (from University of Pennsylvania)	UW-Madison	176,083	0
93.856	93.0600-370-XA94	Microbiology and Infectious Diseases Research (from Northwestern University)	UW-Madison	122,548	0
93.859	WIS 93.00-262	Pharmacology, Physiology, and Biological Chemistry Research (from University of Illinois)	UW-Madison	100,356	0
93.865	93.611013	Center for Research for Mothers and Children (from Michigan State University)	UW-Madison	526	0
93.865	93.5R01HD36186-04	Center for Research for Mothers and Children (from University of Alabama-Birmingham)	UW-Milwaukee	112,584	0
93.866	93.120.5710.91091	Aging Research (from Beckman Research Institute of the City of Hope)	UW-Madison	(40)	0
93.866	93.5-34425-B	Aging Research (from University of Pennsylvania)	UW-Madison	50,764	0
93.866	93.691279	Aging Research (from University of Washington)	UW-Madison	120,817	0
93.867	93.642-4271	Vision Research (from Case Western Reserve University)	UW-Madison	39,015	0
93.867	93.5-35162	Vision Research (from University of Pennsylvania)	UW-Madison	36,327	0
93.867	93.H16534	Vision Research (from University of Southern California)	UW-Madison	56,464	0
93.867	93.AGR dtd 2/10/00	Vision Research (from University of Texas Health Science Center)	UW-Madison	48,928	0
93.867	93.WU-99-29	Vision Research (from Washington University)	UW-Madison	24,709	0
93.941	93.AGR dtd 11/20/98	HIV Demonstration, Research, Public and Professional Education Projects (from Medical College of Wisconsin, Inc.)	UW-Madison	7,623	0
N/A	93.AGR dtd 3/27/98	Statewide AIDS Informational/Referral Hotline and Resource Center (from AIDS Resource Center of Wisconsin, Inc.)	UW-Madison	144	0
N/A	93.AGR dtd 1/20/99	Undergraduate Medical Education for the 21st Century: Demonstration of Curriculum (from American Association of Colleges of Osteopathic)	UW-Madison	93,951	0
N/A	93.AGR dtd 3/6/99;	Radiation Therapy Oncology Group (from American College of Radiology)	UW-Madison	51,062	0
N/A	CK 51084				
N/A	93.AGR dtd 12/22/98; 11/1/99	Mapping Interactive Cancer Susceptibility LOCI (from Beckman Research Institute)	UW-Madison	62,678	0
N/A	93.MC-151296-D-JW	Cardiovascular Risk in Sleep Apnea: Framingham Study (from Boston University)	UW-Madison	22,371	0
N/A	93.AGR dtd 7/30/98	Outcomes and Resource Use: Long-Term Ventilator Patients (from Case Western Reserve University)	UW-Madison	12,145	0
N/A	93.WC02	Head Start Quality Network (from Cooperative Educational Service Agency #5)	UW-Madison	17,344	0
N/A	93.AGR dtd 8/15/00	Biology and Therapy of High Risk Neuroblastoma (from Children's Hospital of Los Angeles)	UW-Madison	1,484	0
N/A	93.AGR dtd 12/9/96; 2/10/00	Multicenter Randomized Trial of DSRs Versus Tips (from Cleveland Clinic Foundation)	UW-Madison	160,438	0
N/A	93.G-4454-2	Cell Wall of M Tuberculosis: Focus for Drug Discovery, Project 1B: Biochemistry of Mycolate (from Colorado State University)	UW-Madison	5,466	0
N/A	93.AGR dtd 4/21/99	Early Head Start Program (from Dane County Parent Council, Inc.)	UW-Madison	(6,703)	0
N/A	93.AGR dtd 2/8/99	Public Use Microdata Sample Custom Analytical Reports (from Decision Demographics)	UW-Madison	32,759	0
N/A	93.99-SC-NIH-1021	Life Histories and Biomarkers of Health Status of the Elderly (from Duke University)	UW-Madison	17,280	0
N/A	93.AGR dtd 4/14/99; 11/5/99	Peptide Based Vaccine for Primate Model of AIDS (from Epimmune Incorporated)	UW-Madison	211,527	0
N/A	93.AGR dtd 5/1/99	Ecoq Genito-Urinary Committee (from Frontier Science and Technology Research)	UW-Madison	8,240	0
N/A	93.970930	System for Testing Resolution of Ultrasound Scanners (from Gammex, Inc.)	UW-Madison	49,366	0
N/A	93.96-S03	Central Ophthalmic Reading Unit (from George Washington University)	UW-Madison	46,681	0
N/A	93.C828	Anuran Screening Assay for Antithyroid Compounds (from Great Lakes Environmental Center)	UW-Madison	33,434	0
N/A	93.AGR dtd 6/3/98; 2/2/00	Honoring Our Children with a Healthy Start (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	54,779	0
N/A	93.AGR dtd 11/24/98	Initiatives by Organizations to Strengthen National Tobacco Control Activities (from Great Lakes Inter-Tribal Council, Inc.)	UW-Madison	1,187	0
N/A	93.AGR dtd 4/1/99; 4/17/00	Selenium Metabolism and Anticarcinogenic Action (from Health Research Inc.)	UW-Madison	148,130	0
N/A	93.JFC184	Co-Stimulation Blockade for Renal Transplantation (from Henry M. Jackson Foundation)	UW-Madison	343,633	0
N/A	93.0255-5411-4609	Gustducin-Taste Receptor Interaction in Gustation (from Howard Hughes Medical Institute at Mount Sinai)	UW-Madison	39,635	0
N/A	93.AGR dtd 3/31/00	African Trypanosome Genome Sequencing (from Institute for Genomic Research)	UW-Madison	51,310	0
N/A	93.AGR dtd 10/26/98	MDS QI and QI Training (from Iowa Foundation for Medical Care)	UW-Madison	204,265	901
N/A	93.96162	Clinical Coordinating Center for the Study of Childhood Asthma Management Program (from Johns Hopkins University)	UW-Madison	34,918	0
N/A	93.8901-00612-X	Blindness and Visual Impairment Among Mexican Hispanics (from Johns Hopkins University)	UW-Madison	39,675	0
N/A	93.RD	R&D Subgrants (from Johns Hopkins University)	UW-Madison	41,688	0
N/A	93.AGR dtd 6/4/99	Stereoscopic Grading System for Age Related Maculopathy (from Kestrel Corporation)	UW-Madison	16,000	0
N/A	93.76781	Integrating Multimedia into a Drug Prevention Resource-Phase II (from Learning Multi-Systems, Inc.)	UW-Madison	94,282	0

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<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	93.77059	Evaluation of the Maehnowesekiyah Residential Treatment Center's Women and Children's Program (from Maehnowesekiyah Treatment Center)	UW-Madison	43,082	0
N/A	93.AGR dtd 12/16/98	Improvements in Implantable Glucose Sensors (from Markwell Medical Institute, Inc.)	UW-Madison	(2,977)	0
N/A	93.AGR dtd 12/2/97: 2/17/99	Great Lakes Fish Consumption Study (from Marquette University)	UW-Madison	1,077	0
N/A	93.AGR dtd 12/13/99	Computer-Based Intervention for Adolescent Smokers (from Mayo Clinic)	UW-Madison	230,535	0
N/A	93.AGR dtd 7/12/99	Oocyte Competency in Prenatally Androgenized Monkeys (from Mayo Clinic)	UW-Madison	66,401	0
N/A	93.AGR dtd 9/10/98	Cancer Pain Role Model Program (from Medical College of Wisconsin, Inc.)	UW-Madison	2,669	0
N/A	93.AGR dtd 1/13/97	Cardiac Valvuloseptal Morphogenesis (from Medical University of South Carolina)	UW-Madison	10,945	0
N/A	93.AGR dtd 1/4/99	Evaluation of Prescription Drug Information Materials (from National Association of Boards of Pharmacy)	UW-Madison	16,763	0
N/A	93.6153; 7326; 7331; 6171	Children's Cancer Group Chairman's Award (from National Childhood Cancer Foundation)	UW-Madison	144,988	0
N/A	93.4745; 5811; 6693	Children's Cancer Group Biological Therapeutics/Biotherapy Reference Laboratory (from National Childhood Cancer Foundation)	UW-Madison	21,447	0
N/A	93.35339	Nuclear Transfer in Rhesus Macaques (from Oregon Regional Primate Research Center)	UW-Madison	4,863	0
N/A	93.AGR dtd 2/2/00	SBIR with Panvera Corporation (from Panvera Corporation)	UW-Madison	104,799	0
N/A	93.RD	R&D Subgrants (from Promega Corporation)	UW-Madison	7,689	0
N/A	93.AGR dtd 6/26/97	Detection of Stressed-Induced Ischemia with Rest Dipyrindamole Cu-Ptsm Pet Versus Rest Stress (from Proportional Technologies, Inc.)	UW-Madison	15,711	0
N/A	93.AGR dtd 10/12/98	Vaginal Immunization Against Urinary Tract Infection (from Protein Express, Inc.)	UW-Madison	3,321	0
N/A	93.510-3904-02	Research in Content-Based Image Retrieval for Large-Scale (from Purdue University)	UW-Madison	66,843	0
N/A	93.41023-00-12A	Adhesion of Myelin Po-Protien (from Research Foundation of State University of New York-Hunter College)	UW-Madison	5,034	0
N/A	93.3-53U-6613	Development and Validation of a Performance Measure Set/Quality Indicators for the Evaluation (from Research Triangle Institute)	UW-Madison	118,164	0
N/A	93.3-53U-6613	Evaluating the Use of Quality Indicators in the Long-Term Care Survey Process (from Research Triangle Institute)	UW-Madison	411,912	3,078
N/A	93.3-53U-6613	Long-Term Care Research and Demonstration Task Order Contract (from Research Triangle Institute)	UW-Madison	(2,000)	0
N/A	93.9837252	Multi-Media Video Task Analysis (from Robert A. Taft Laboratories)	UW-Madison	14,794	0
N/A	93.AGR dtd 4/27/98	Selenium Metabolism and Anticarcinogenic Action (from Roswell Park Cancer Institute)	UW-Madison	(151)	0
N/A	93.AGR dtd 8/23/00	Assembly and Structure of Type IV PILI (from Scripps Research Institute)	UW-Madison	37,086	0
N/A	93.AGR dtd 10/20/97	Pediatric Self-Directed Learning Program (from Southwest Wisconsin Area Health Education Center, Inc.)	UW-Madison	1,500	0
N/A	93.PR-1088	Mechanisms for Tolerance to the Behavioral Action of Alpha 2 Agonists (from Stanford University)	UW-Madison	28,168	0
N/A	93.45701706	Consultation on Long Term Care Processes (from State of Colorado)	UW-Madison	5,966	0
N/A	93.AGR dtd 8/21/97	Vitamin D Based Anti-Cancer Drugs (from Tetricons, Inc.)	UW-Madison	111,156	0
N/A	93.AGR dtd 9/10/97	Screening Potential Chemopreventive Agents in Mice Bearing Alterations in Genes Related to Colon (from University of Alabama)	UW-Madison	4,415	0
N/A	93.1935SC	Dynamics of Health, Aging, and Body Composition (from University of California)	UW-Madison	131,079	0
N/A	93.10178233	Ivorn and Image Analysis Resource (from University of California-San Diego)	UW-Madison	41,148	0
N/A	93.10117851	Eicosanoids in the Outflow Pathways of the Eye (from University of California-San Diego)	UW-Madison	9,910	0
N/A	93.1935SC	Dynamics of Health, Aging and Body Composition Coordinating Unit (from University of California-San Francisco)	UW-Madison	15,183	0
N/A	93.AGR dtd 2/25/99: 11/10/99	Linguistic Phenotype in Familial Dyslexia (from University of Denver)	UW-Madison	22,321	0
N/A	93.96-284	Environmental Determinants of Lyme Disease Foci (from University of Illinois-Urbana-Champaign)	UW-Madison	19,167	0
N/A	93.4000019756	Midwest Collaboration on Child Language Impairment (from University of Iowa)	UW-Madison	17,878	0
N/A	93.P17627;	National Center for Voice and Speech: Treatment of Glottal Incompetence with Phonosurgery (from University of Iowa)	UW-Madison	38,755	0
N/A	4000020262	Phonosurgery (from University of Iowa)	UW-Madison	41,148	0
N/A	93.4-63155-00-49	Role of MNSOC in Drug Resistance and Cardiac Toxicity (from University of Kentucky)	UW-Madison	48,071	0
N/A	93.RD	R&D Subgrants (from University of Michigan)	UW-Madison	23,850	0
N/A	93.5-33401	Complications of Age-Related Macular Degeneration Prevention Trial (from University of Pennsylvania)	UW-Madison	28,554	0
N/A	93.H11969	Los Angeles Latino Eye Study (from University of Southern California)	UW-Madison	51,405	0
N/A	93.AGR dtd 8/22/97	Laboratory Studies of Pain Control Methods (from University of Texas)	UW-Madison	177	0
N/A	93.SC96-09	Variation in Language Development (from University of Texas-Dallas)	UW-Madison	(67)	0
N/A	93.27469-37	Gynecologic Oncology Group (from University of Texas Southwestern Medical Center)	UW-Madison	40,024	0
N/A	93.RN2-414	Enhanced Expression of Non-Toxic Neurotoxin Derivatives in Safe Host Organisms (from U.S. Civilian Research and Development Foundation)	UW-Madison	2,655	0
N/A	93.AGR dtd 3/31/00	Role of Pharyngeal Receptors in Reflux Disease (from Veterans Medical Research Foundation)	UW-Madison	16,690	0
N/A	93.524136	Growth Failure in Children with Renal Diseases (from Virginia Commonwealth University)	UW-Madison	146	0
N/A	93.Y-235291	Ethanol, Signal Transduction and Embryonic Cell Survival (from Wayne State University)	UW-Madison	8,282	0
N/A	93.AGR dtd 8/2/99	Open Study (from Westat, Inc.)	UW-Madison	110,418	0
N/A	93.40-00491-100	Milwaukee Area Treatment Evaluation for TANF Study (from Milwaukee County)	UW-Milwaukee	27,322	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>RESEARCH AND DEVELOPMENT (R&amp;D) CLUSTER (Note 2)</b>					
N/A	93.510 1267-3736	Attachment Relationships in Infant Child Care (from Purdue University)	UW-Green Bay	490	0
N/A	93.N01-LM-0-3506; PY-0139	Contract for Research Services (from Stanford University)	UW-La Crosse	9,063	0
N/A	93.0980-520-Y202- UWP	Alterations in Circadian Time in Aging (from Northwestern University)	UW-Parkside	58,599	0
				<u>6,104,884</u>	<u>3,979</u>
TOTAL R&D FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>155,230,117</u>	<u>6,356,937</u>
96.007		U.S. SOCIAL SECURITY ADMINISTRATION: Social Security-Research and Demonstration	UW-Madison	<u>112,891</u>	<u>0</u>
N/A	99.RD	U.S.-ISRAEL BINATIONAL SCIENCE: R&D	UW-Madison	<u>36,306</u>	<u>0</u>
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				<u>\$ 299,802,747</u>	<u>\$ 17,422,826</u>

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
<b>STUDENT FINANCIAL AID (SFA) CLUSTER</b>					
U.S. DEPARTMENT OF EDUCATION:					
84.007		Federal Supplemental Educational Opportunity Grants	UW-Madison	\$ 2,594,247	\$ 0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Milwaukee	1,839,603	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Eau Claire	752,846	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Green Bay	491,419	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-La Crosse	387,886	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Oshkosh	408,371	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Parkside	466,693	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Platteville	416,637	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-River Falls	431,045	0
84.007		Federal Supplemental Educational Opportunity Grants (Note 2)	UW-Stevens Point	747,705	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Stout	664,278	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Superior	225,231	0
84.007		Federal Supplemental Educational Opportunity Grants	UW-Whitewater	566,050	0
84.007		Federal Supplemental Educational Opportunity Grants	UW Colleges	596,121	0
		Total Federal Program 84.007		<u>10,588,132</u>	<u>0</u>
84.032		Federal Family Education Loans (Note 20)	UW-Madison	85,646,179	0
84.032		Federal Family Education Loans (Note 20)	UW-Green Bay	8,825,506	0
84.032		Federal Family Education Loans (Notes 2, 20)	UW-La Crosse	19,341,431	0
84.032		Federal Family Education Loans (Note 20)	UW-Oshkosh	16,886,806	0
84.032		Federal Family Education Loans (Note 20)	UW-Parkside	5,930,727	0
84.032		Federal Family Education Loans (Notes 2, 20)	UW-Platteville	10,188,009	0
84.032		Federal Family Education Loans (Note 20)	UW-River Falls	10,098,525	0
84.032		Federal Family Education Loans (Notes 2, 20)	UW-Stevens Point	15,301,027	0
84.032		Federal Family Education Loans (Note 20)	UW-Stout	17,667,873	0
84.032		Federal Family Education Loans (Note 20)	UW Colleges	5,626,365	0
		Total Federal Program 84.032		<u>195,512,448</u>	<u>0</u>
84.033		Federal Work-Study Program	UW-Madison	1,650,955	0
84.033		Federal Work-Study Program	UW-Milwaukee	690,887	0
84.033		Federal Work-Study Program	UW-Eau Claire	957,419	0
84.033		Federal Work-Study Program	UW-Green Bay	242,950	0
84.033		Federal Work-Study Program (Note 2)	UW-La Crosse	354,116	0
84.033		Federal Work-Study Program	UW-Oshkosh	502,372	0
84.033		Federal Work-Study Program	UW-Parkside	87,419	0
84.033		Federal Work-Study Program (Note 2)	UW-Platteville	469,365	0
84.033		Federal Work-Study Program	UW-River Falls	453,698	0
84.033		Federal Work-Study Program (Note 2)	UW-Stevens Point	892,754	0
84.033		Federal Work-Study Program	UW-Stout	553,432	0
84.033		Federal Work-Study Program	UW-Superior	232,491	0
84.033		Federal Work-Study Program	UW-Whitewater	453,960	0
84.033		Federal Work-Study Program	UW Colleges	358,155	0
84.033		Federal Work-Study Program	UW-Extension	37,678	0
84.033		Federal Work-Study Program	UW System Admin	2,089	0
		Total Federal Program 84.033		<u>7,939,740</u>	<u>0</u>
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Madison	7,721,092	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Milwaukee	3,098,888	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Eau Claire	2,360,222	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Green Bay	619,604	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-La Crosse	982,828	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Oshkosh	998,941	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Parkside	372,655	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Platteville	744,890	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-River Falls	992,540	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Notes 2, 19)	UW-Stevens Point	2,313,143	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Stout	1,789,106	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Superior	299,267	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW-Whitewater	1,958,343	0
84.038		Federal Perkins Loan Program-Federal Capital Contributions (Note 19)	UW Colleges	364,266	0
		Total Federal Program 84.038		<u>24,615,785</u>	<u>0</u>
84.063		Federal Pell Grant Program	UW-Madison	6,067,536	0
84.063		Federal Pell Grant Program	UW-Milwaukee	6,853,457	0
84.063		Federal Pell Grant Program	UW-Eau Claire	3,245,539	0
84.063		Federal Pell Grant Program	UW-Green Bay	1,796,234	0
84.063		Federal Pell Grant Program (Note 2)	UW-La Crosse	2,634,698	0
84.063		Federal Pell Grant Program	UW-Oshkosh	3,013,327	0
84.063		Federal Pell Grant Program	UW-Parkside	2,129,289	0
84.063		Federal Pell Grant Program (Note 2)	UW-Platteville	2,043,280	0
84.063		Federal Pell Grant Program	UW-River Falls	2,120,810	0
84.063		Federal Pell Grant Program (Note 2)	UW-Stevens Point	3,317,794	0
84.063		Federal Pell Grant Program	UW-Stout	3,274,966	0
84.063		Federal Pell Grant Program	UW-Superior	1,436,318	0

The accompanying notes are an integral part of this schedule.

**STATE OF WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL CATALOG NUMBER	OTHER IDENTIFYING NUMBER	FEDERAL GRANTOR AGENCY/ Federal Program	STATE AGENCY OR CAMPUS	EXPENDITURES	AMOUNT PROVIDED TO SUBRECIPIENTS
84.063		Federal Pell Grant Program	UW-Whitewater	3,009,470	0
84.063		Federal Pell Grant Program	UW Colleges	<u>3,137,112</u>	<u>0</u>
		Total Federal Program 84.063		<u>44,079,830</u>	<u>0</u>
84.268		Federal Direct Loan (Note 20)	UW-Milwaukee	48,151,923	0
84.268		Federal Direct Loan (Note 20)	UW-Eau Claire	16,352,422	0
84.268		Federal Direct Loan (Note 20)	UW-Superior	6,017,711	0
84.268		Federal Direct Loan (Note 20)	UW-Whitewater	<u>20,737,104</u>	<u>0</u>
		Total Federal Program 84.268		<u>91,259,160</u>	<u>0</u>
Other Federal Financial Assistance:					
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Madison	796,022	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Milwaukee	353,751	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Eau Claire	221,423	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Green Bay	96,504	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-La Crosse	106,646	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Oshkosh	223,200	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Parkside	58,331	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Platteville	13,239	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-River Falls	101,747	0
N/A	84.SFA	Administrative Cost Allowance (Notes 2, 21)	UW-Stevens Point	117,437	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Stout	182,097	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Superior	46,287	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW-Whitewater	147,809	0
N/A	84.SFA	Administrative Cost Allowance (Note 21)	UW Colleges	<u>95,981</u>	<u>0</u>
		Total Administrative Cost Allowance		<u>2,560,474</u>	<u>0</u>
TOTAL SFA FROM U.S. DEPARTMENT OF EDUCATION				<u>376,555,569</u>	<u>0</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
93.108		Health Education Assistance Loans (Note 20)	HEAB	0	0
93.108		Health Education Assistance Loans (Note 20)	UW-Madison	<u>0</u>	<u>0</u>
		Total Federal Program 93.108		<u>0</u>	<u>0</u>
93.342		Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (Note 19)	UW-Madison	1,291,421	0
93.364		Nursing Student Loans (Note 19)	UW-Madison	283,420	0
93.364		Nursing Student Loans (Note 19)	UW-Milwaukee	131,803	0
93.364		Nursing Student Loans (Note 19)	UW-Oshkosh	<u>337,276</u>	<u>0</u>
		Total Federal Program 93.364		<u>752,499</u>	<u>0</u>
93.820		Scholarships for Students of Exceptional Financial Need	UW-Madison	51,215	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Milwaukee	34,371	0
93.925		Scholarships for Health Professions Students from Disadvantaged Backgrounds	UW-Eau Claire	<u>105,402</u>	<u>0</u>
		Total Federal Program 93.925		<u>139,773</u>	<u>0</u>
TOTAL SFA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>2,234,908</u>	<u>0</u>
TOTAL STUDENT FINANCIAL AID CLUSTER				<u>\$ 378,790,477</u>	<u>\$ 0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 5,432,207,424</u>	<u>\$ 1,223,154,507</u>

The accompanying notes are an integral part of this schedule.



### 1. Summary of Significant Accounting Policies

- A. Purpose - The Schedule of Expenditures of Federal Awards presents a summary of the State of Wisconsin's expenditures financed by the federal government for the fiscal year ended June 30, 2000. For purposes of the schedule, federal programs have been classified into three types: 1) individual federal programs and other clusters, including grants received directly from the federal government and subgrants received from other organizations; 2) the research and development (R&D) cluster, including R&D grants received directly from the federal government and R&D subgrants received from other entities; and 3) the student financial aid (SFA) cluster. Direct federal awards and subgrants are presented for each federal agency and, when available, by catalog number.

Because the schedule presents only a selected portion of the activities of the State, it is not intended to and does not present the financial position or results of operations of the State.

- B. Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards has been prepared from the Wisconsin state agencies' and UW System's accounting records and from federal reports submitted by the state agencies to the various federal grantor agencies. The state accounting records are maintained on a modified cash basis. State statutes and state accounting policies require that disbursements be recognized in the fiscal year in which they are recorded for payment, except for certain state employee fringe benefits that are recognized in the period to which the benefits relate, regardless of when paid. The State's centralized accounting records remain open until July 31 to permit the recording of expenditures applicable to the fiscal year ended June 30, in accordance with Wisconsin Statutes.

To eliminate duplicate counting for subgrants between state agencies, the schedule includes expenditures reported by the state agency that received the funds directly from the U.S. government and does not include expenditures recorded by the subrecipient. For subgrants between UW campuses, however, the schedule includes expenditures reported by the UW campus that received the subgranted funds and does not include expenditures reported by the subgranting campus.

A timing variance may exist between the recording of expenditures in the accounting records and the reporting of the federal grant expenditures to the U.S. government or other subgrantor organizations.

C. State Agencies and UW Campuses Included - The following state agencies were included in the scope of our audit:

1. Department of Health and Family Services (DHFS)
2. Department of Workforce Development (DWD)
3. University of Wisconsin (UW) System
4. Department of Transportation (DOT)
5. Department of Public Instruction (DPI)
6. Department of Administration (DOA)
7. Department of Natural Resources (DNR)
8. Department of Commerce
9. Department of Military Affairs (DMA)
10. Wisconsin Technical College System Board (WTCSB)
11. Department of Veterans Affairs (DVA)
12. Department of Justice (DOJ)
13. Department of Agriculture, Trade and Consumer Protection (DATCP)
14. Department of Corrections (DOC)
15. State Historical Society of Wisconsin (SHS)
16. Wisconsin Arts Board (Arts Board)
17. Higher Educational Aids Board (HEAB)
18. Child Abuse and Neglect Prevention Board (CANPB)
19. Educational Communications Board (ECB)
20. Public Service Commission (PSC)
21. Department of Employment Relations (DER)
22. Department of Tourism
23. Board on Aging and Long-Term Care (BOALTC)
24. Department of Revenue (DOR)

The following campuses or units of UW System were included in the scope of our audit:

1. UW-Madison
2. UW-Milwaukee
3. UW-Eau Claire
4. UW-Green Bay
5. UW-La Crosse
6. UW-Oshkosh
7. UW-Parkside
8. UW-Platteville
9. UW-River Falls
10. UW-Stevens Point
11. UW-Stout
12. UW-Superior
13. UW-Whitewater
14. UW Colleges
15. UW-Extension
16. UW System Administration (UW System Admin)
17. Wisconsin Humanities Council (Wis Humanities Council)

The federal awards administered by the Wisconsin Supreme Court were not included in the scope of this single audit because those grants are audited separately in accordance with OMB Circular A-133, if required. An audit of federal financial assistance received by the Wisconsin Housing and Economic Development Authority was performed by other auditors.

## 2. Major Federal Grant Programs

The federal financial assistance expended by the State of Wisconsin during FY 1999-2000 was \$6,263,145,827, consisting of \$5,432,207,424 of cash assistance as reported in the Schedule of Expenditures of Federal Awards, and \$830,938,403 of noncash assistance and outstanding loan balances. The noncash assistance consists of food commodities, food stamps, and outstanding loan balances as described in Notes 5, 8, 9, 10, 15, 19, 20, and 22 and as shown in the following table. Not included in the amount of noncash assistance is the value of donated federal surplus personal property (catalog #39.003) described in Note 14 and the value of vaccines under the Immunization Grants (catalog #93.268) program.

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### Noncash Assistance

<u>CFDA Number</u>	<u>Name of Federal Program</u>	<u>Amount</u>
10.550	Food Distribution	\$ 16,553,662
10.551	Food Stamps	118,760,176
10.569	Emergency Food Assistance Program (Food Commodities)	3,000,000
14.228	Community Development Block Grants/State's Program	52,702,251
20.205	Highway Planning and Construction	950,400
20.308	Local Rail Freight Assistance	13,400
66.458	Capitalization Grants for State Revolving Funds	413,846,386
66.468	Capitalization Grants for Drinking Water State Revolving Fund	51,810,234
84.038	Perkins Loan Program	160,922,618
93.108	Health Education Assistance Loans	1,839,832
93.342	Health Professions Student Loans	6,333,221
93.364	Nursing Student Loans	<u>4,206,223</u>
	Total Noncash Assistance	\$830,938,403

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Federal cash and noncash assistance, other than loan balances, expended by the State of Wisconsin during FY 1999-2000 was \$5.5 billion. The major grant threshold, as defined by OMB Circular A-133, was \$16.7 million. All federal programs with expenditures exceeding this threshold of \$16.7 million are labeled type A programs. Each type A program that is considered to be low-risk is audited as a major program at least once every three years. The type A programs that are not considered to be low-risk are audited as major programs. The federal programs with expenditures under the threshold of \$16.7 million are labeled as type B programs. For each low-risk type A program that is not audited as a major program, one high-risk type B program is selected to be audited as a major program.

The State of Wisconsin administered 28 major federal programs that were tested for compliance with federal requirements for FY 1999-2000. The total federal assistance, including noncash assistance, under these major grant programs constituted 68 percent of the total federal financial assistance during the audit period. The major federal programs for FY 1999-2000, as determined by the risk-based approach, are listed in the following table.

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**Major Federal Programs in FY 1999-2000**

<u>CFDA #</u>	<u>Federal Program</u>	<u>Expenditures</u>	<u>State Recipient</u>
10.500	Cooperative Extension Service	\$ 11,368,997	UW-Madison/ UW-Platteville/ UW-Stevens Point/ UW-Stout/ UW-Extension
10.551/.561	Food Stamp Cluster (a)	164,000,945	DWD
10.568/.569	Emergency Food Assistance Cluster (b)	3,711,891	DHFS
14.228	Community Development Block Grant/State's Program (c)	40,005,689	Commerce/ UW-Whitewater/ UW-Extension
16.575	Crime Victim Assistance	3,485,237	DOJ
16.588	Violence Against Women Formula Grants	2,577,767	DOA
16.606	State Criminal Alien Assistance Program	2,351,849	DOC
17.225	Unemployment Insurance	566,590,860	DWD
17.245	Trade Adjustment Assistance—Workers	10,128,689	DWD
20.205/23.005	Highway Planning and Construction Cluster (d)	498,860,507	DOT
45.310	State Library Program	3,030,520	DPI
66.605	Performance Partnership Grants	5,776,437	DNR/ DATCP
66.802	Superfund State Site-Specific Cooperative Agreements	3,325,605	DNR
83.548	Hazard Mitigation Grant	4,282,619	DMA

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<u>CFDA #</u>	<u>Federal Program</u>	<u>Expenditures</u>	<u>State Recipient</u>
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	\$ 1,996,771	UW-Madison/ UW-Milwaukee
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	49,208,629	DWD/UW-Stout
84.318	Technology Literacy Challenge Fund Grants	6,555,773	DPI
93.556	Promoting Safe and Stable Families	2,981,574	DHFS/ UW-Extension
93.558	Temporary Assistance for Needy Families	225,714,662	DWD/ UW-Extension
93.563	Child Support Enforcement	59,392,241	DWD
93.575/.596	Child Care Cluster	102,143,970	DWD
93.658	Foster Care—Title IV-E	99,707,633	DHFS/ UW-Milwaukee/ UW-Extension
93.659	Adoption Assistance	19,454,345	DHFS
93.775/.777/.778	Medicaid Cluster	1,934,144,025	DHFS/DWD/ DOJ/UW-Madison
93.917	HIV Care Formula Grants	3,729,876	DHFS/ UW-Madison
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	2,476,990	DHFS
93.940	HIV Prevention Activities—Health Department Based	3,265,722	DHFS
Various	Research and Development Cluster	299,802,747	UW System
Various	Student Financial Aid Cluster (e)	23,807,605	UW-La Crosse
Various	Student Financial Aid Cluster (e)	13,875,420	UW-Platteville
Various	Student Financial Aid Cluster (e)	<u>22,689,860</u>	UW-Stevens Point
		\$4,190,445,455	

(a) Includes \$45,240,769 in expenditures and \$118,760,176 in distributed food stamps (see note 5).

(b) Includes \$711,891 in expenditures and \$3,000,000 in distributed food commodities (see note 9).

(c) Does not include the amount of loans outstanding as of June 30, 2000 (see note 10).

(d) Does not include the amount of loans outstanding as of June 30, 2000 (see note 22).

(e) Does not include the amount of loans outstanding as of June 30, 2000 (see notes 19 and 20).

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The research and development cluster, a major program, is defined by OMB Circular A-133 as including all research activities, both basic and applied, and all development activities that are performed by a nonfederal entity. Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. Most grant documents from the federal government and other subgrantor organizations do not clearly identify a grant as

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research and development. Therefore, UW campus staff classify grants as research and development or as other than research and development. Other state agency staff do not classify any of their grants as research and development.

The student financial aid cluster is defined by OMB Circular A-133 as including those programs of general student assistance in which institutions participate, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, which are administered by the U.S. Department of Education, and similar programs provided by other federal agencies. It does not include programs that provide fellowships or similar awards to students on a competitive basis, or for specified studies or research. The student financial aid cluster is a low-risk type A program and, therefore, must be audited at least once every three years. The Legislative Audit Bureau audits the student financial aid cluster at the UW campuses over a three-year cycle. During the FY 1999-2000 audit, the Audit Bureau audited the student financial aid cluster as a major program at UW-La Crosse, UW-Platteville, and UW-Stevens Point.

The Wisconsin Humanities Council is a nonprofit organization associated with UW System through its relationship with UW-Extension. UW-Extension is responsible for fiscal and personnel administration of the Council. At the request of the National Endowment for the Humanities, the Wisconsin Humanities Council was included as a unit within UW System, and the Promotion of the Humanities—Federal/State Partnership grant (catalog #45.129) was audited as if it were a major program.

### **3. Catalog of Federal Domestic Assistance (CFDA) Numbers**

Many grant documents from the federal government and other subgrantor organizations do not provide a CFDA number to the UW campus receiving the funds. In addition, some grant documents do not provide CFDA numbers to other state agencies receiving the funds. CFDA numbers are presented in the schedule when the CFDA numbers were included in the grant agreements or could be determined based on a grant's source and purpose. For grants that did not clearly state a CFDA number, the schedule includes the grant or a total for several grants, with an indication of "N/A," for not available. For the direct grants and subgrants in the individual programs and other clusters, an "other identifying number," when available, is shown if the CFDA number is not available.

For the research and development cluster, direct awards are presented for each federal agency, by catalog number, when available. Direct grants without a catalog number are presented for each federal agency and, where applicable, for the major subdivisions within the agency.

### **4. Amount Provided to Subrecipients**

OMB Circular A-133 requires the Schedule of Expenditures of Federal Awards, to the extent practical, to include the amount provided to subrecipients under each

federal program. To the extent practical, the amount provided to subrecipients was determined for the federal programs at the state agencies and UW System.

## 5. Food Stamps

During FY 1999-2000, DWD was responsible for issuing food stamps to recipients on behalf of the U.S. Department of Agriculture (catalog #10.551). DWD issued \$118,760,176 of food stamps during FY 1999-2000 and had \$53,539,911 worth of food stamps on hand as of June 30, 2000. DWD's insurance coverage includes a blanket honesty bond covering DWD employees and losses due to fire or forced-entry theft. DWD is to reimburse the U.S. Department of Agriculture for the value of food stamps lost by inventory shortages or issued and not received by recipients, if above a federally mandated threshold. As of April 1, 1998, DWD contracted with Systems and Methods, Inc., of Carrollton, Georgia, for the physical custody and issuance of food stamp coupons for the State of Wisconsin.

## 6. Potential Federal Sanctions and Disallowances

The U.S. Department of Agriculture assesses a sanction against a state if its annual error rate for eligibility and benefit determinations exceeds the national average for the Food Stamp Program (catalog #10.551). As shown in the following table, Wisconsin's error rates for FFY 1993-94 through FFY 1998-99 exceeded the national average, resulting in potential liabilities totaling \$4,835,890.

**Sanctions for the Food Stamp Program**  
As of June 30, 2000

Federal Fiscal <u>Year(s)</u>	Wisconsin's <u>Error Rate</u>	National Average <u>Error Rate</u>	Sanctions Assessed to Date	Additional Potential <u>Sanctions</u>	Total Potential <u>Sanctions</u>
1994-1996	10.51%–12.10%	9.2%–10.32%	\$ 600,000	\$ 600,000	\$1,200,000
1997	13.70%	9.88%	800,000	1,540,053	2,340,053
1998	13.07%	10.69%	689,391	0	689,391
1999	13.42%	9.88%	606,446	0	606,446
2000	11.90%	Not Available	<u>Not Available</u>	<u>Not Available</u>	<u>Not Available</u>
Total			\$2,695,837	\$2,140,053	\$4,835,890

Wisconsin has been assessed sanctions totaling \$2,695,837, to be spent on payment accuracy activities and outreach activities. As of September 30, 2000, DWD had spent \$1,101,729 on these activities. In addition, Wisconsin faces additional potential sanctions totaling \$2,140,053. The final amount of these potential sanctions depends on Wisconsin's performance in reducing its error rates and on negotiations with federal officials.

A federal review of the Child Support Enforcement program awarded to DWD by the U.S. Department of Health and Human Services' Office of Child Support Enforcement for FFY 1997-98 identified disallowed costs of \$3,643,264 for allocated costs that were unsupported, and \$237,585 for interest earnings that should have been reported as program income. Discussions with federal officials have indicated that the allocated costs will be allowed after supporting documentation has been provided to the federal auditors. DWD will be returning the \$237,585 in interest earnings to the federal government.

A federal inquiry into DWD's use of \$250,000 in Unemployment Insurance (UI) grant funds for a project related to reemployment services concluded that the type of activity was not allowable under Title III of the Social Security Act, which governs the use of funds for the administration of the UI program. The U.S. Department of Labor has requested the return of the \$250,000. In August 2000, DWD appealed the disallowance.

A federal review of the Fish and Wildlife Cluster awarded to DNR by the U.S. Department of the Interior Fish and Wildlife Service for FFY 1994-95 and FFY 1995-96 identified questioned costs of \$5,067,771. The actual amount of the disallowance remains under negotiation. In its March 1999 proposed resolution, the State contends that it has incurred excess matching expenditures sufficient to cover the potential disallowance.

## **7. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Rebates**

During FY 1999-2000, DHFS received \$18,603,415 in cash rebates from infant formula manufacturers from the sale of formula to participants in the WIC program (catalog #10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost-containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled DHFS to extend program benefits to 32,744 more people than could have been served during FY 1999-2000 in the absence of the rebate contract.

## **8. Food Distribution**

No expenditures were reported in the schedule for the Food Distribution Program (catalog #10.550) administered by DPI because this program involves the distribution of food commodities, and no funds were awarded to the State. The value of the food commodities distributed is not reported in the schedule. DPI distributed \$16,553,662 worth of food commodities during FY 1999-2000 and had \$2,172,154 worth of food commodities on hand as of June 30, 2000.

## **9. Emergency Food Assistance Program**

The expenditures reported in the schedule represent administrative costs of the Emergency Food Assistance Program (Administrative Costs) (catalog #10.568) at the state and local levels. The value of the food commodities distributed under the Emergency Food Assistance Program (Food Commodities) (catalog #10.569) is not reported in the schedule. DHFS distributed approximately \$3,000,000 worth of food commodities during FY 1999-2000 and had approximately \$166,370 worth of food commodities on hand as of June 30, 2000.

## **10. Community Development Block Grants/State's Program**

Included as expenditures of the Community Development Block Grants/State's Program (catalog #14.228) is \$5,165,537 in revolving loan fund expenditures that are not direct expenditures of funds from the U.S. government. As of June 30, 2000, the balance of loans outstanding was \$52,702,251.

## **11. HOME Investment Partnerships Program**

The HOME Investment Partnerships Program (catalog #14.239) provides funds to state and local governments to expand the supply of safe and affordable housing to low-income citizens. Included as expenditures of the program is a total of \$2,009,145 received directly by DOA's subrecipients from the U.S. Department of Housing and Urban Development, and not accounted for on the State's central accounting system.

## **12. Unemployment Insurance Program**

Expenditures for the Unemployment Insurance program (catalog #17.225) include \$509,779,711 in benefits funded by the Wisconsin Unemployment Reserve Fund, \$4,211,535 in federally funded benefits, and \$52,599,614 in federally funded administrative costs during FY 1999-2000.

### **13. Highway Planning and Construction**

Expenditures for the Highway Planning and Construction program (catalog #20.205) include project charges that have been incurred in excess of the federally approved project budget amount, but that are expected to be recovered in the next fiscal year. The balance of charges in excess of approved budgets totaled \$8.4 million as of June 30, 2000.

### **14. Donation of Federal Surplus Personal Property**

DOA is responsible for administration of the Donation of Federal Surplus Personal Property program (catalog #39.003). DOA has contracted with Wisconsin Technical College System Foundation, Inc., to receive and distribute the federal surplus property. As of July 1, 1999, the Foundation had on hand property with an initial cost to the federal government of \$3,007,580. During FY 1999-2000, the Foundation received from the federal government surplus personal property having an initial cost to the federal government of \$6,903,509. During the period, property with an initial cost of \$4,916,202 was distributed, leaving property with an initial cost to the federal government of \$4,994,887 on hand as of June 30, 2000. DOA does not maintain records of the fair market value of the property received but believes it is below the type A major grant threshold established by OMB Circular A-133.

### **15. Capitalization Grants for State Revolving Funds and Capitalization Grants for Drinking Water State Revolving Fund**

The State of Wisconsin Environmental Improvement Fund is an enterprise fund of the State and is jointly administered by DNR and DOA. Included in the Environmental Improvement Fund is the Clean Water Fund Direct Loan Program, funded primarily by the federal government under the Capitalization Grants for State Revolving Funds (catalog #66.458) and Capitalization Grants for Drinking Water State Revolving Fund (catalog #66.468). As of June 30, 2000, loans outstanding were \$413,846,386 and \$51,810,234, respectively. Federal reporting requirements for the Clean Water Fund Direct Loan Program include financial statements prepared in accordance with generally accepted accounting principles and information regarding loan recipients, loan amounts, loan terms, project categories of eligible costs, and similar details on other forms of assistance. DNR and DOA have previously provided this information to the U.S. Environmental Protection Agency in the following documents:

- the Environmental Improvement Fund program's FY 1999-2000 and FY 1998-99 audited financial statements, prepared in accordance with generally accepted accounting principles, including supplementary information specific to the Clean Water Fund Direct Loan Program;

- the State Revolving Fund intended use plan for FY 1999-2000, prepared by DNR; and
- the State Revolving Fund annual report for FY 1999-2000, prepared by DNR and DOA.

Copies of the above documents are available from:

Wisconsin Department of Natural Resources  
Bureau of Community Financial Assistance  
P.O. Box 7921  
Madison, WI 53707

The expenditures included in the Schedule of Expenditures of Federal Awards are the amounts recorded on the State of Wisconsin's accounting system in accordance with the basis of accounting described in Note 1(B) and are not intended to be in accordance with generally accepted accounting principles.

## **16. Federal Block Grants**

State agencies are not required to submit a report to the federal grantor agency for the following federal block grants: Low-Income Home Energy Assistance (catalog #93.568); Community Services Block Grant (catalog #93.569); Child Care and Development Block Grant (catalog #93.575); Empowerment Zones Program (catalog #93.585); Social Services Block Grant (catalog #93.667); Block Grants for Community Mental Health Services (catalog #93.958); Block Grants for Prevention and Treatment of Substance Abuse (catalog #93.959); Preventive Health and Health Services Block Grant (catalog #93.991); and Maternal and Child Health Services Block Grant to the States (catalog #93.994). This single audit report fulfills the reporting requirements of the nine federal block grants.

## **17. Social Services Block Grant**

Social Services Block Grant (catalog #93.667) expenditures claimed for federal reimbursement are not based directly on the DHFS accounting records for the grant. The grant expenditure claims are based on the social services expenditures reported by the county social service agencies throughout the state and summarized by the DHFS Community Aids Reporting System. As required to be disclosed by the OMB Circular A-133 Compliance Supplement, expenditures reported in the schedule for the Social Services Block Grant include \$31,800,000 transferred from the federal award for the Temporary Assistance for Needy Families program (catalog #93.558).

**18. Fee-for-Service Programs and Fixed-Price Contracts**

State agencies and UW System received fees for services or reimbursement under fixed-price contracts with the federal government or other subgrantor organizations. Actual costs to provide the services are not required to be reported to the federal government or other subgrantor organization. The Schedule of Expenditures of Federal Awards includes actual amounts charged to the fixed-price contracts, which may be more than, equal to, or less than the contract funds received from the federal grantor agency or other subgrantor organization.

**19. Loans Collected by the University of Wisconsin**

The expenditures in the schedule for the loan programs consist of loans advanced to students and collection costs charged to the loan funds during FY 1999-2000. For the Perkins Loan Program, the expenditures in the schedule are funded by the federal capital contributions, institutional match, and loan repayments or other fees collected from student borrowers. Not included in the Schedule of Expenditures of Federal Awards is the amount of outstanding loans. The Perkins Loan (catalog #84.038), Health Professions Student Loan (catalog #93.342), and Nursing Student Loan (catalog #93.364) funds consisted of the following student loan receivable balances:

	Outstanding Balance, <u>June 30, 2000</u>
Perkins Loans:	
UW-Madison and	
UW-Green Bay	\$ 64,177,756
UW-Milwaukee	15,473,062
UW-Eau Claire	13,437,983
UW-La Crosse	6,410,078
UW-Oshkosh	6,675,066
UW-Parkside	2,758,290
UW-Platteville	5,556,314
UW-River Falls	5,329,965
UW-Stevens Point	14,600,368
UW-Stout	12,941,135
UW-Superior	1,695,326
UW-Whitewater	9,792,680
UW Colleges	<u>2,074,595</u>
Total Perkins Loans	\$160,922,618
Health Professions Student Loans:	
UW-Madison	\$ 6,333,221
Nursing Student Loans:	
UW-Madison	\$ 1,544,538
UW-Milwaukee	873,309
UW-Oshkosh	<u>1,788,376</u>
Total Nursing Student Loans	\$ 4,206,223

## 20. Other Loan Programs

UW System participates in the Federal Family Education Loans (FFEL) program, which includes Stafford Loans, Supplemental Loans for Students, and Parents Loans for Undergraduate Students (catalog #84.032). The FFEL program is considered a component of the student financial aid cluster. Lending institutions, such as banks, provide funds to students attending the UW campuses, and UW staff are involved with the certification of loan applications and distributing loan checks to the student borrowers. The FFEL amounts disbursed to students during FY 1999-2000 are shown in the schedule, except the amount of FFEL disbursed by UW-Parkside, which includes only amounts actually processed through UW-Parkside. The amount awarded to students at UW-Parkside for FY 1999-2000 was \$5,930,727. For all UW campuses, the total outstanding loan balance for FFEL is not available.

UW-Milwaukee, UW-Eau Claire, UW-Superior, and UW-Whitewater participate in the Federal Direct Loan program (catalog #84.268) instead of the FFEL program. The Federal Direct Loan program is similar to the FFEL program, except that the UW campuses, rather than financial institutions, are responsible for disbursing the loans. In addition, the loan funds are provided by the U.S. Department of Education. The Federal Direct Loan amounts advanced to students during FY 1999-2000 are shown in the schedule. The total outstanding loan balance for the Federal Direct Loan program is not available.

Prior to July 1, 1998, UW-Madison participated in the Health Education Assistance Loans (HEAL) program (catalog #93.108). The HEAL program is a component of the student financial aid cluster. Lending institutions, such as banks, provide funds to students enrolled in education programs for certain health professions, and UW-Madison staff are involved with the certification of loan applications. No new loans were made during the fiscal year, and no new loans will be made in the future. The total outstanding loan balance for the HEAL program at UW-Madison is not available.

HEAB also provided student loans funded by the HEAL program to eligible medical and dental students at qualifying universities or colleges in Wisconsin. These student loans are insured as to payment by the U.S. Department of Health and Human Services if a claim is filed after default, death, disability, or bankruptcy. HEAB did not receive any federal funds for claims from the U.S. Department of Health and Human Services in FY 1999-2000. No new loans were made during the fiscal year, and no new loans will be made in the future. As of June 30, 2000, the balance of loans outstanding at HEAB was \$1,839,832.

## **21. Administrative Cost Allowance**

Included in the student financial aid cluster are the total expenditures for the administrative cost allowance provided by the Federal Supplemental Educational Opportunity Grants program (catalog #84.007), Federal Work-Study Program (catalog #84.033), Perkins Loan Program (catalog #84.038), and Federal Pell Grant Program (catalog #84.063). The actual administrative cost allowance amount earned during the award year for each program has not been determined and is not included in the amount of expenditures for the four separate student financial aid programs.

## **22. Loan Funds from Federal Highway Administration and Federal Railways Administration**

During FY 1998-99, the Wisconsin Department of Transportation received \$1,260,000 in loan funds from the Federal Highway Administration under the Highway Planning and Construction program (catalog #20.205). During FY 1999-2000, \$75,000 was received. The Wisconsin Department of Transportation has issued \$950,400 of these loan funds to local municipalities; this balance remains outstanding as of June 30, 2000.

During FY 1994-95, the Wisconsin Department of Transportation received \$70,400 in loan funds from the Federal Railways Administration under the Local Rail Freight Assistance program (catalog #20.308). The Wisconsin Department of Transportation has issued the full amount of these loan funds to local agencies. As of June 30, 2000, the balance of loans outstanding at the Wisconsin Department of Transportation was \$13,400.

## **23. State Criminal Alien Assistance Program**

During FY 1999-2000, the Department of Corrections (DOC) received \$2,351,849 in awards from the U.S. Department of Justice under the State Criminal Alien Assistance Program (catalog #16.606). This grant is awarded to cover the costs previously incurred by the State for housing certain criminal aliens in the State's correctional system. There are no restrictions imposed on the use of the funds, and the grant program guidelines state that the funds should be treated as being expended as of the date received. For FY 1999-2000, as mandated by the Wisconsin Legislature, DOC did not spend the \$2.3 million, but rather credited the funds directly to the General Fund to automatically lapse and be available for appropriation by the Legislature. This is allowable per the grant program guidelines. In the Schedule of Expenditures of Federal Awards, the expenditure of these funds is shown under DOC; however, because the funds were lapsed to the General Fund for appropriation by the Legislature, no expenditures were recorded at DOC for this grant for FY 1999-2000.

## **24. Program Income**

In some cases, program income related to federal grants is deposited in federal grant accounts and is spent for activities related to a grant. Certain program income accounts were identified by the UW campuses and excluded from the schedule. However, the schedule includes an unknown amount of expenditures funded by program income sources and not funded directly by federal grants.

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## Appendix 1

### State Agency Contact Information

Listed below are the Wisconsin state agencies other than the University of Wisconsin that are included in the scope of the FY 1999-2000 single audit, along with agency contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These agencies may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit. University of Wisconsin campus contact information is presented as Appendix 2.

Department of Health and Family Services  
Ms. Phyllis Dubé, Secretary  
Audit Contact: Ms. Sally Acuff, Audit Liaison  
Bureau of Fiscal Services  
1 West Wilson Street  
P.O. Box 7850  
Madison, Wisconsin 53707-7850  
(608) 266-9576  
fax: (608) 264-9874  
e-mail: acuffsa@dhfs.state.wi.us

Department of Workforce Development  
Ms. Jennifer Reinert, Secretary  
Audit Contact: Mr. Kipp Sonnentag, Director  
Bureau of Finance  
201 East Washington Avenue, Room 429  
P.O. Box 7946  
Madison, Wisconsin 53707-7946  
(608) 266-7272  
fax: (608) 267-7952  
e-mail: kipp.sonnentag@dwd.state.wi.us

Department of Transportation  
Mr. Terry Mulcahy, Secretary  
Audit Contact: Ms. Cynthia A. Morehouse, Director  
Bureau of Financial Services  
4802 Sheboygan Avenue  
Madison, Wisconsin 53705  
(608) 266-7023  
fax: (608) 267-4455  
e-mail: cynthia.morehouse@dot.state.wi.us

Department of Public Instruction  
Mr. John T. Benson, State Superintendent  
Audit Contact: Mr. Vance Rayburn, Director  
Management Services  
125 South Webster Street  
P.O. Box 7841  
Madison, Wisconsin 53707-7841  
(608) 266-3320  
fax: (608) 266-3644  
e-mail: vance.rayburn@dpi.state.wi.us

Department of Administration  
Mr. George Lightbourn, Secretary  
Audit Contact: Mr. Paul McMahon, Director  
Bureau of Financial Management  
101 East Wilson Street, 9<sup>th</sup> Floor  
P.O. Box 7869  
Madison, Wisconsin 53707-7869  
(608) 266-1359  
fax: (608) 264-9500  
e-mail: paul.mcmahon@doa.state.wi.us

Department of Natural Resources  
Mr. Darrell Bazzell, Secretary  
Audit Contact: Mr. Herbert Zimmerman, Director  
Bureau of Finance  
101 South Webster Street  
P.O. Box 7921  
Madison, Wisconsin 53707-7921  
(608) 266-0062  
fax: (608) 264-6277  
e-mail: zimmerh@dnr.state.wi.us

Department of Commerce  
Ms. Brenda J. Blanchard, Secretary  
Audit Contact: Mr. Barry Wanner, Director  
Bureau of Fiscal & Procurement Services  
201 West Washington Avenue, 6<sup>th</sup> Floor  
P.O. Box 7970  
Madison, Wisconsin 53707-7970  
(608) 267-7200  
fax: (608) 266-7057  
e-mail: bwanner@commerce.state.wi.us

Department of Military Affairs  
Major General James G. Blaney, Adjutant General  
Audit Contact: Mr. Larry Olson, Executive Assistant  
Command Section  
2400 Wright Street  
P.O. Box 14587  
Madison, Wisconsin 53714-0587  
(608) 242-3009  
fax: (608) 242-3111  
e-mail: larry.olson@dma.state.wi.us

Wisconsin Technical College System Board  
Mr. Edward Chin, State Director  
Audit Contact: Mr. Gregory Wagner, Director  
Bureau of Budget, Finance and Management  
310 Price Place  
P.O. Box 7874  
Madison, Wisconsin 53707-7874  
(608) 266-2947  
fax: (608) 266-1690  
e-mail: wagnerg@board.tec.wi.us

Department of Veterans Affairs  
Mr. Raymond G. Boland, Secretary  
Audit Contact: Mr. Roger Graham, Director  
Bureau of Fiscal Services  
30 West Mifflin Street  
P.O. Box 7843  
Madison, Wisconsin 53707-7843  
(608) 266-3916  
fax: (608) 267-0403  
e-mail: roger.graham@dva.state.wi.us

Department of Justice  
Mr. James E. Doyle, Attorney General  
Audit Contact: Mr. Dan Oakland, Financial Officer  
Bureau of Budget and Finance  
123 West Washington Avenue  
P.O. Box 7857  
Madison, Wisconsin 53707-7857  
(608) 266-2609  
fax: (608) 266-1656  
e-mail: oaklanddl@doj.state.wi.us

Department of Agriculture, Trade and Consumer Protection  
Mr. James E. Harsdorf, Secretary  
Audit Contact: Ms. Barbara Knapp, Director  
Bureau of Budget and Accounting  
2811 Agriculture Drive  
P.O. Box 8911  
Madison, Wisconsin 53708-8911  
(608) 224-4746  
fax: (608) 224-4737  
e-mail: knappbh@wheel.datcp.state.wi.us

Department of Corrections  
Mr. Jon E. Litscher, Secretary  
Audit Contact: Ms. Beverly Balakhovsky, Director  
Bureau of Finance and Administrative Services  
125 South Webster Street  
P.O. Box 7991  
Madison, Wisconsin 53707-7991  
(608) 267-0935  
fax: (608) 261-7474  
e-mail: bev.balakhovsky@doc.state.wi.us

State Historical Society of Wisconsin  
Dr. George Vogt, Director  
Audit Contact: Mr. David Seligman, Administrator  
Division of Administrative Services  
816 State Street, Room 325  
Madison, Wisconsin 53706  
(608) 264-6434  
fax: (608) 264-6433  
e-mail: dhseligman@mail.shsw.wisc.edu

Wisconsin Arts Board  
Mr. George Tzougros, Executive Director  
Audit Contact: Ms. Connie Miller, Assistant Director for Administration  
101 East Wilson Street, 1<sup>st</sup> Floor  
Madison, Wisconsin 53703  
(608) 266-0841  
fax: (608) 267-0380  
e-mail: connie.miller@arts.state.wi.us

Higher Educational Aids Board  
Ms. Jane Hojan-Clark, Executive Secretary  
Audit Contact: Ms. Sherrie Nelson, Financial Manager  
Office of Administrative Services/Fiscal Affairs  
131 West Wilson Street, Suite 902  
P.O. Box 7885  
Madison, Wisconsin 53707-7885  
(608) 267-2944  
fax: (608) 267-2808  
e-mail: sherrie.nelson@heab.state.wi.us

Child Abuse and Neglect Prevention Board  
Ms. Nadine Schwab, Executive Director  
Audit Contact: Ms. Sally Acuff, Audit Liaison  
Bureau of Fiscal Services  
Department of Health and Family Services  
1 West Wilson Street  
P.O. Box 7850  
Madison, Wisconsin 53707-7850  
(608) 266-9576  
fax: (608) 264-9874  
e-mail: acuffsa@dhfs.state.wi.us

Educational Communications Board  
Mr. Thomas Fletemeyer, Executive Director  
Audit Contact: Mr. Ted Tobie, Associate Director  
Finance and Administrative Services  
3319 West Beltline Highway  
P.O. Box 4296  
Madison, Wisconsin 53713-4296  
(608) 264-9667  
fax: (608) 264-9664  
e-mail: ttobie@ecb.state.wi.us

Public Service Commission  
Ms. Ave M. Bie, Chairperson  
Audit Contact: Mr. Gordon Grant, Director  
Bureau of Fiscal Services  
610 North Whitney Way, 2<sup>nd</sup> Floor  
P.O. Box 7854  
Madison, Wisconsin 53707-7854  
(608) 267-9086  
fax: (608) 266-3957  
e-mail: grantg@psc.state.wi.us

Department of Employment Relations  
Mr. Peter Fox, Secretary  
Audit Contact: Ms. Elizabeth Reinwald, Budget Officer  
Division of Administrative Services  
345 West Washington Avenue  
Madison, Wisconsin 53707-7855  
(608) 266-5316  
fax: (608) 267-1020  
e-mail: elizabeth.reinwald@der.state.wi.us

Department of Tourism  
Mr. Richard Speros, Secretary  
Audit Contact: Mr. Glenn Aumann, Accountant  
Bureau of Administrative Services  
P.O. Box 7976  
Madison, Wisconsin 53707-7976  
(608) 266-3403  
fax: (608) 266-3403  
e-mail: gaumann@tourism.state.wi.us

Board on Aging and Long-Term Care  
Mr. George F. Potaracke, Executive Director  
214 North Hamilton Street, 2<sup>nd</sup> Floor  
Madison, Wisconsin 53703-2118  
(608) 266-8945  
fax: (608) 261-6570  
e-mail: george.potaracke@ltc.state.wi.us

Department of Revenue  
Mr. Richard G. Chandler, Secretary  
Audit Contact: Ms. Diane L. Hardt, Administrator  
Income, Sales, and Excise Tax Division  
2135 Rimrock Road  
P.O. Box 8933  
Madison, Wisconsin 53708-8933  
(608) 266-6798  
fax: (608) 261-6240  
e-mail: dhardt@dor.state.wi.us

Department of Employee Trust Funds  
Mr. Eric Stanchfield, Secretary  
Audit Contact: Mr. Bob Willett, Director  
Controllers Office  
801 West Badger Road  
P.O. Box 7931  
Madison, Wisconsin 53707-7931  
(608) 266-0904  
fax: (608) 267-0633  
e-mail: bob.willett@etf.state.wi.us

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## Appendix 2

### University of Wisconsin Campus Contact Information

Listed below are the University of Wisconsin campuses included in the scope of the FY 1999-2000 single audit, along with campus contact names, addresses, telephone numbers, fax numbers, and e-mail addresses. These campuses may be contacted regarding resolution of audit findings and questioned costs, or other matters concerning the audit.

#### UW-Madison for student financial aids:

Mr. Steve Van Ess, Director  
Office of Student Financial Services  
University of Wisconsin-Madison  
432 North Murray Street  
Madison, Wisconsin 53706-1496  
(608) 263-3202 fax: (608) 262-9068  
e-mail: [steve.vaness@mail.admin.wisc.edu](mailto:steve.vaness@mail.admin.wisc.edu)

#### UW-Madison for other federal compliance:

Mr. William J. Vance  
Assistant Dean  
Office for Research and Sponsored Programs  
University of Wisconsin-Madison  
750 University Avenue, Room 450  
Madison, Wisconsin 53706-1490  
(608) 262-3822 fax: (608) 262-5111  
e-mail: [wvance@rsp.wisc.edu](mailto:wvance@rsp.wisc.edu)

#### UW-Milwaukee:

Mr. Paul Rediske  
Director of Internal Audit  
University of Wisconsin-Milwaukee  
P.O. Box 413  
Milwaukee, Wisconsin 53201  
(414) 229-5586 fax: (414) 229-6539  
e-mail: [pwr@bfs.uwm.edu](mailto:pwr@bfs.uwm.edu)

#### UW-Eau Claire:

Ms. Valerie Wing  
Internal Auditor  
University of Wisconsin-Eau Claire  
NUR-216  
Eau Claire, Wisconsin 54701  
(715) 836-5407 fax: (715) 836-5971  
e-mail: [wingvc@uwec.edu](mailto:wingvc@uwec.edu)

UW-Green Bay:

Mr. John Majewski  
Internal Auditor  
University of Wisconsin-Green Bay  
2420 Nicolet Drive  
Green Bay, Wisconsin 54311-7001  
(920) 465-2200, ext. 14 fax: (920) 465-2020  
e-mail: majewskj@uwgb.edu

UW-La Crosse:

Ms. Mitu Pati  
Internal Auditor  
Office of Internal Audit  
University of Wisconsin-La Crosse  
132 Main Hall, 1725 State Street  
La Crosse, Wisconsin 54601  
(608) 785-8545 fax: (608) 785-8544  
e-mail: pati\_s@mail.uwlax.edu

UW-Oshkosh:

Mr. Shawn H. Kelly  
Internal Auditor  
University of Wisconsin-Oshkosh  
800 Algoma Boulevard  
Oshkosh, Wisconsin 54901-8609  
(920) 424-3483 fax: (920) 424-2240  
e-mail: kellys@uwosh.edu

UW-Parkside:

Mr. Dennis J. Irwin  
Internal Auditor  
University of Wisconsin-Parkside  
900 Wood Road, Box 2000  
Kenosha, Wisconsin 53141-2000  
(262) 595-3223 fax: (262) 595-2630  
e-mail: irwin@uwp.edu

UW-Platteville:

Mr. Stephen Zielke  
Assistant Chancellor for Business Affairs  
University of Wisconsin-Platteville  
330 Brigham Hall  
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